

**Town of Avon
HOUSING NEEDS ASSESSMENT
2006**

FINAL REPORT

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Town of Avon*

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INTRODUCTION

The purpose of this study is to provide the Town of Avon with information about current and future housing needs and the supply of housing necessary to address these needs. The information in this report will be useful in evaluating and targeting the housing needs of local residents and workers and understanding where housing programs should be focused to best accommodate local housing needs. The information can also be used to discuss housing needs and opportunities with the Department of Housing and Urban Development (HUD), and various other federal, state, local and other public agencies and non-profit and private interests involved in projects for the community.

This information may be used to:

- Evaluate and potentially modify public policies and housing programs including land use regulations, affordable housing incentives and development codes;
- Facilitate partnerships between public- and private-sector organizations to create developments that include suitable and affordable housing to different population groups;
- Obtain financing for housing projects. Most private, federal and state lending institutions require demographic and housing cost information to support loan or grant applications. Often information presented in a housing needs assessment may be used to support a proposed development with different funding agencies. This information can also be used when a financial institution requires market studies (for example, rental units financed with Low-income Housing Tax Credits);
- Establish baseline information from which progress toward meeting Town goals can be evaluated;
- Plan for future housing needs connected with anticipated growth in jobs in the Town of Avon; and
- Understand economic, housing cost and demographic trends in the area.

CONTEXT

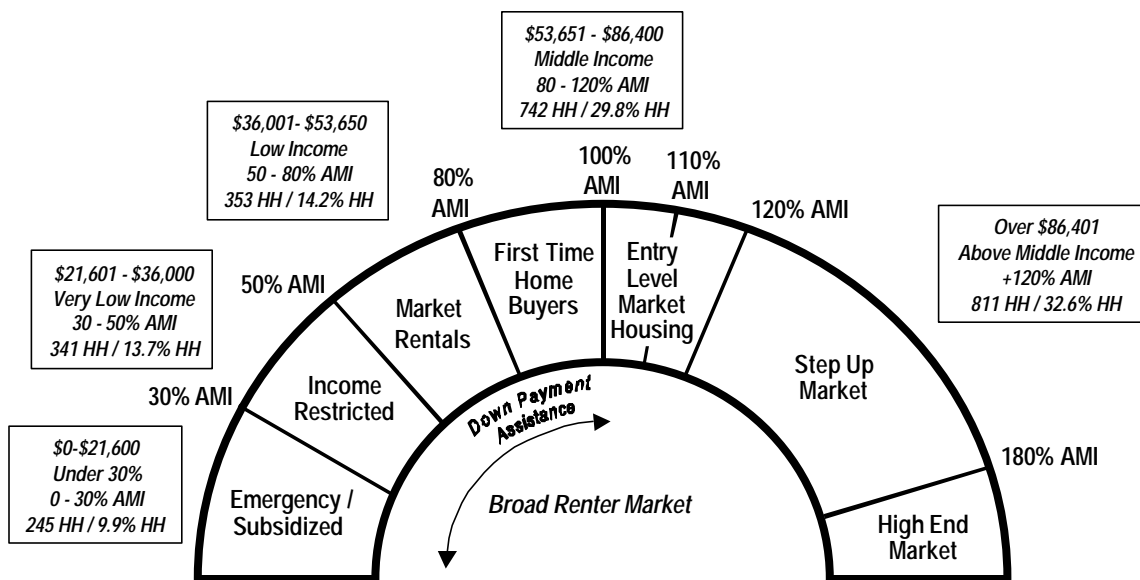
Addressing housing needs, concerns, issues and opportunities is a complex and often emotional issue. A Housing Needs Assessment provides baseline information from which policy decisions, local housing goals and objectives and program options can be evaluated. This information is intended to inform decisions, as well as suggest program and policy options for local governments to consider when addressing community housing needs and opportunities. This information can help Avon understand and achieve the mix and balance of housing to support current and future residents as their housing needs and conditions change. Providing a balance of housing that is affordable and suitable for the range of employment opportunities available in Avon can also play an important supportive role in economic development.

Housing is generally considered affordable if a housing payment does not exceed 30 percent of gross monthly income and the home is of a sufficient size to meet the needs of the household. The types of homes that are made available under local housing initiatives vary depending on the housing needs in different communities and the policies and goals established by these communities. Customizing policies, goals and programs to local conditions is an important component of any successful housing strategy.

The Housing Continuum illustrated below portrays a spectrum of housing that is affordable and most likely to be sought out by households in different income groups in the Town of Avon. It indicates the number and percentage of current resident households earning different area median incomes and the type of housing likely to be needed at the

different income levels. The Housing Continuum depicts what may be ideal for most communities – the availability of housing that is affordable to all households and provides options for changing life circumstances. What is key in this approach is that there are opportunities for households to buy or rent at different income levels, thus supporting an economically balanced community.

Housing Continuum 2006



Source: 2000 US Census (CHAS); The Housing Collaborative, LLC; RRC Associates, Inc.

METHODOLOGY

Area Covered

This study covers the Town of Avon and provides information on Eagle County as a whole, where applicable. A mix of primary research and available public information sources was used to generate information regarding the town.

Primary Research

Primary research was conducted to generate information beyond that available from existing public sources. This research included local employer, realtor and property manager interviews and discussions with the Town planning department.

- Seven local Avon employers and an employer in Beaver Creek were interviewed to understand where employees live; changes in employment over time; the ability for employers to find and retain employees; the wage structure and position availability of local employers and to what extent employee housing is perceived to be an issue by employers.
- Three realtors and four property managers were interviewed to learn what households are seeking when looking to purchase or rent a unit. Trends in real estate sales and the rental market were also discussed.

Other Sources of Information

Sources of published information were used in the preparation of this report, including:

- 1990 and 2000 US Census data, including CHAS (Comprehensive Housing Affordability Strategy) special tabulation data;
- Employment information from the Colorado Department of Labor and Employment (2000), the US Bureau of Economic Analysis, the Center for Business and Economic Forecasting (CBEF) and Business Pattern data from the Economic Census;
- Employment and population projections from the Department of Local Affairs and housing unit information from the Town of Avon;
- 2006 Area Median Income for Eagle County from the Department of Housing and Urban Development;
- Colorado State Division of Housing Rent and Vacancy Surveys for county-wide rental trend information; and
- Eagle County Assessor data for homeownership and sales information and Eagle County MLS for current sales listings.

DEFINITIONS

The following definitions are applicable for the terms used in this report.

Affordable Housing -- when the amount spent on rent or mortgage payments (excluding utilities) does not exceed 30 percent of the combined gross income of all household members. There is no single amount that is "affordable." The term is not synonymous with low-income housing, where, under most Federal programs for low-income housing, occupants pay 30 percent of their gross income for rent and utilities.

Cost Burdened -- when a household or individual spends more than 30 percent of gross income on rent or mortgage payments.

Low Income Housing Tax Credit - a tax credit (Internal Revenue Code Section 42) available to investors in low-income housing designed to encourage investment that helps finance construction and rehabilitation of housing for low-income renters.

Substandard Housing -- a unit that lacks complete kitchen and /or plumbing facilities.

Overcrowded Conditions -- the standard definition is where more than one person *per room* (as differentiated from bedrooms) resides within a dwelling unit. For example, six people living in a five-room home would be living in overcrowded conditions.

Mean -- the average of a group of numbers. The sum of all the data values divided by the number of items.

Median -- the middle point in a data set.

Area Median Income (AMI) Limits -- most communities establish income limits for the programs they administer based on the area median income (AMI) for the area according to household size, which are adjusted annually by the

Department of Housing and Urban Development (HUD). Four different income categories are defined for various programs and policies:

1. *Extremely low income*, which is less than 30% of the median family income;
2. *Very low income*, which is between 30% and 50% of the median family income;
3. *Low income*, which is between 50% and 80% of the median family income;
4. *Middle income*, which is between 80% and 120% of the median family income; and
5. *Above middle income*, which is over 120% of the median family income.

Section 8 Rent Subsidy - the Section 8 Housing Assistance Payment program is offered through the U.S. Department of Housing and Urban Development (HUD). This program pays the difference between 30% of monthly household income and the Fair Market Rent (FMR) established by HUD for the Denver Metro area. There are two types of Section 8 assistance: 1) project based where vouchers are attached to specific properties, or 2) vouchers -- households using Section 8 assistance find market rate housing where the landlord is willing to participate in the program.

Levels of Homeownership – When discussing affordability of properties by Area Median Income (AMI) level (defined above) and the types of homes households among different AMI groups are seeking, reference is made to a couple different stages of homeownership. This includes:

1. *Entry-level ownership/first-time homebuyers*: These are households typically earning in the low to middle income range (60 to 120 percent AMI). These are households that currently rent (or otherwise do not own a home) and are looking to purchase their first home.
2. *Move-up buyers*: These are households earning in the middle to upper income range (about 120 percent AMI or higher) that currently own a home (either in Avon or in another community) and are looking to purchase a new or different home for a variety of reasons (relocating, growing family (e.g., having children), shrinking family (e.g., empty-nesters), etc.).

KEY FINDINGS AND RECOMMENDATIONS

A primary goal of this housing needs assessment was to look at trends in the local economy, local housing needs and the housing market to identify local Town of Avon housing needs. This information sets a context from which to determine where housing programs should best be focused as the Town of Avon looks forward to providing housing to maintain and shape their community, assist their economy and understand their needs in the regional context of Eagle County as a whole.

To understand housing need and market trends, a thorough review of resident household demographics; projected increase in employment, current workforce residency and employer needs and concerns; current housing inventory and ownership; and housing sales and rental patterns was conducted. This section summarizes the key findings from this research and the primary housing needs identified for Avon residents and employees.

Summary of Housing Trends

In general, market rate housing continues to be largely unaffordable to the local workforce and local residents. Existing deed-restricted housing has helped many employees and residents stay within the community; however, more affordable units are needed to ensure current residents can stay within the Town and that sufficient housing choices are available to assist local employers in attracting and retaining employees in the area.

- Demographics and Cost-burdened: About 52.7 percent of Avon households were renters and 47.3 percent were owners in 2000. The average household size was about 2.79 persons in 2004 (down from 2.81 in 2000), with owner households (2.64 persons) being slightly smaller than renter households (2.95 persons) in 2000 (in part related to seasonal worker renter households and overcrowding). About 28 percent of owners and 48 percent of renters reported being cost-burdened (paying over 30 percent of household income for rent/mortgage) in 2000.
- Employment and Commuting: About 29 percent of workers in Avon also lived in Avon in 2000; meaning that 71 percent of the workforce commuted into Avon for employment. About 11 percent of the workforce reported living outside of Eagle County, primarily in Lake County and Garfield County (3 percent each). It was noted through employer interviews that workers from Garfield County have largely left their Avon employment to work closer to home (due to the high availability of jobs and competitive, if not higher, wages in Garfield County). This has increased the labor shortage in Avon and the difficulty for employers that relied on Garfield County to fill jobs. By increasing the affordability of housing in Avon to local workers, employers will be less reliant on outside labor markets for workers and be less subject to fluctuations in other area economies with respect to filling jobs.

About 38 percent of Avon residents that are employed reported working in Avon in 2000. Another 24 percent worked in Vail, indicating the extent to which Avon helps house workers in Vail. Very few of employed Avon residents reported working outside of Eagle County (about 4 percent).

- Housing Affordability: The median sale prices of homes in 2000 was \$237,000; this increased 81.4 percent in 2006 to \$430,000. In comparison, median family incomes (as reported by the Department of Housing and Urban Development for Eagle County) increased only 17.5 percent during this period, from \$68,100 in 2000 to \$80,000 in 2006. Further, the typical household can afford a home priced about 3-times higher than their income, whereas the median sale value of homes in 2006 was over 5-times higher than the median family income. Home prices have been outpacing local incomes by a large margin.

Trends between the 1990 and 2000 Census indicate that decreased affordability of homes in Avon has been occurring for quite some time, where household incomes increased 61 percent during this time compared to a 102 percent increase in owner housing values. Further, affordability compared to the state of Colorado as a whole in 2000 shows that:

- The median value of single-family homes in Avon in 2000 (\$373,000) was about 2.3 times higher than in the state of Colorado as a whole (\$160,100);
 - The median rent in Avon (\$954) was 1.6 times higher than in the state of Colorado as a whole (\$611) in 2000; and
 - The median household income of Avon residents (\$56,291) was only 1.2 times higher than in the state of Colorado as a whole (\$47,203). The median family income in Avon (\$52,339) was lower than in the state of Colorado as a whole (\$55,883).
 - Based on the above figures, it is not surprising the percentage of cost-burdened households in Avon (42 percent) is much higher than in the state of Colorado as a whole (29 percent).
- Residency of Owners: Analysis of the Eagle County Assessor data of property ownership in Avon indicates that about 44 percent of owners have a local Town of Avon address and another 18 percent have addresses in other parts of Eagle County. This has remained fairly consistent since 2001. The largest change is seen in the percentage of owners from other parts of Colorado (primarily the Front Range), where about 2 percent of properties in 2001 were owned by this group versus a much higher 9 percent in 2006. Increased competition for housing units from Front Range buyers was noted by a few realtors, who stated that this group purchases units in a more affordable price range than out-of-state second homebuyers, competing more directly with local residents for housing.
 - Current Deed-Restricted Units: The Town presently has 63 deed-restricted units available for ownership, although 15 of those units are presently retained as rental units to employees in Eagle County earning less than 80 percent of the AMI. All units are valued under \$200,000 and provide units at prices that are largely unavailable through the general housing market. This includes 8 3-bedroom units valued under \$147,000. All units are condominiums with a few townhomes. A few of these units turn-over to new owners each year. However, the number of units available does not meet local demand for ownership housing.

The Town also has several affordable rental units: 244 in Buffalo Ridge affordable to households earning less than 80 percent AMI (built in 2003) and 72 Section 8 apartments at River View. The Town of Avon also has rooms available for rent for bus drivers and City Market has 18 1-bedroom units available to employees at below-market rates. Rentals in Town are full and many have waiting lists. Property managers indicated they have very few units turn-over each year. Despite the number of year-round rentals in Town, local need for units continues to be higher than the supply.

- Multiple Listing Service: Of the 129 homes available for sale on the Multiple Listing Service on October 13, 2006, only 26 (about 20 percent) were priced below \$400,000. Only three of the lower priced units had 3-bedrooms and most (17 total) had 2-bedrooms. About 11 of the units were in "The Gates," which are condominium units with little storage and not generally suited to year-round occupancy by locals. The average size of units was 790 square feet and all were condominiums. In other words, there are an insufficient number of units provided on the market that may be affordable to and suited to local year-round ownership and occupancy, particularly families.
- Realtor Observations: Realtors noted that the availability of housing in Avon is not currently meeting the needs of residents and local workers, with a shortage of housing across all needed price-points (from first-time homebuyers through move-up housing). A few felt that competition for affordable units, generally between \$300,000 and \$400,000, is very high and that many locals looking to purchase cannot find a unit in this price range. A couple noted that affordability is becoming even more of an issue since the new Gondola was planned, with increased speculation and interest from second homebuyers, particularly on the west side of town. Specifically, all of the realtors noted that units priced under \$500,000 are in high demand.

- **Employer Observations:** Employers encountered slightly different issues with employee recruitment and retention depending on the industry of employment, with all experiencing issues with employee turnover and difficulty attracting and keeping new workers as a result of housing costs in the area. When asked about priorities that employers see in the area for housing in terms of recruiting and retaining employees, the full spectrum of locally affordable housing options were mentioned, including:
 - Rentals for new hirees/recruits from outside the area. Vacancies are extremely low during the winter months and there is high competition for affordable rentals in the county. One exception was the school district, which noted that their new hires can usually find rentals; although more rentals for new single teachers would help.
 - First-time homeownership opportunities to keep employees. It was noted that Miller Ranch was a successful and much needed project. A couple employers offered examples of new hires (one an engineer and one a co-manager) that owned homes in their previous communities and, upon moving to Avon, had difficulty locating housing to rent. Despite earning in excess of \$60,000 per year, neither can find homes to purchase that they can afford. This was also noted by the school district to be a problem in retaining employees over time and they indicated that about 75 percent of their turnover last year was due to employees moving out of the valley to purchase homes. They find that they can attract young teachers out of college given the “glamorous” location, but when they decide to start a family, they often move out of the valley to afford a home.
 - Along similar lines, more expensive, move-up housing affordable for higher paid positions, new recruits that owned homes in their previous communities so have some equity to apply toward a home and growing families (e.g., need more than a 600 square foot condominium) are also needed to retain employees. Realtor interviews and current listings for sale on the MLS indicate a large shortage of homes priced under \$500,000 in the Town of Avon that would meet the needs of these households.

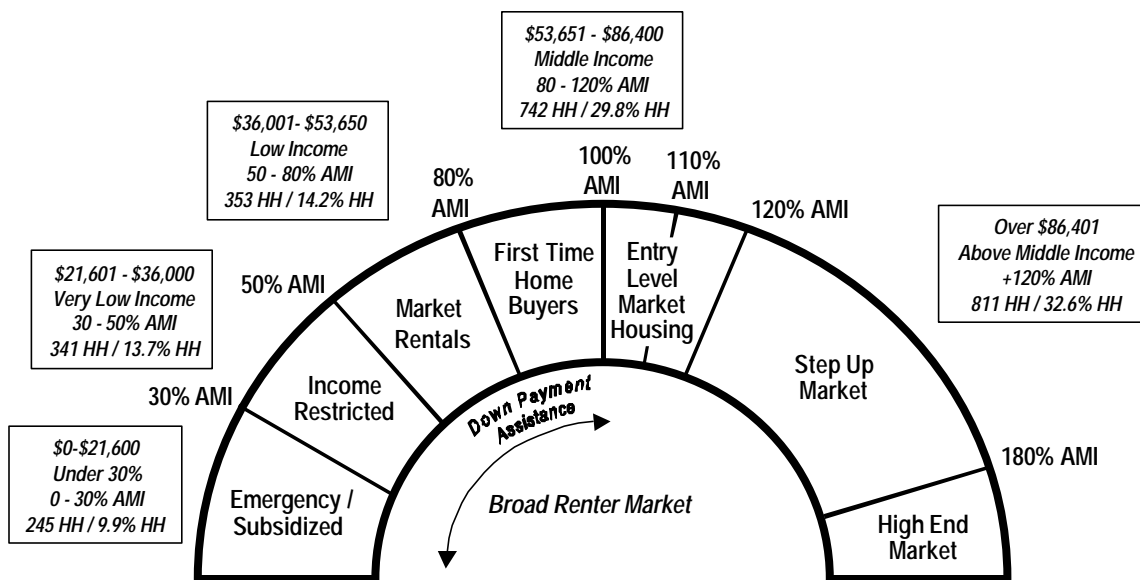
Summary of Housing Catch-Up and Keep-Up Needs

Despite the existing deed-restricted housing in Town and the large number of rentals in the area, continued need for housing from residents, in-commuters, new employees and seasonal workers is significant. Catch-up housing needs (housing units needed to address current deficiencies in housing) and keep-up housing needs (housing units needed to keep up with future demand for housing) are summarized below. Catch-up housing needs evaluated resident households with housing problems (cost-burdened, overcrowded or in substandard units) and in-commuters that would likely prefer to live in Avon if affordable and suitable housing was available. Keep-up housing needs focused on new housing units needed as a result of job growth in the town and new employees filling those jobs.

Housing Continuum

When evaluating where to target housing programs and development options, the Housing Continuum, illustrated below, can be helpful in moving from aggregate estimates of housing units needed to specific programs and policies that target the housing needs within the community. The Continuum shows the percentage and number of households in Avon that fall into each AMI category, based on 2006 household estimates, along with a spectrum of housing that is affordable and most likely to be sought out by households in each AMI group. The Housing Continuum depicts what may be ideal for most communities – the availability of housing that is affordable to all households and options for changing life circumstances. What is key in this approach is that there are opportunities for households to buy or rent at different economic levels, thus supporting an economically balanced community.

Housing Continuum 2006



Source: 2000 US Census (CHAS); The Housing Collaborative, LLC; RRC Associates, Inc.

The following table takes the Housing Continuum one step further and identifies the maximum affordable rents and purchase prices of homes within each income category, the estimated catch-up need (or current deficiency in housing to serve residents and in-commuters) and the estimated keep-up need through 2010 and 2015 (or the number of units needed to maintain the current ratio of workers residing in Town as new jobs are added – about 29 percent) is presented for both rental and ownership units by AMI range. The needs identified encompass units needed within the AMI groups that are not currently being served by the market (housing “gaps”), meaning that the needs identified will need to be targeted with local housing programs to help households obtain housing in the community. Finally, a description of different employment industries and job positions that pay wages within each respective AMI group is also provided to understand more about who will be served at different price points. In summary:

Rental Units

As summarized in the table below, residents with housing problems and in-commuters that may prefer to live in Avon if suitable and affordable housing was available need between 333 to 602 rental units priced below \$1,340 per month for a 3-person household in Avon (e.g., the average size of Avon households). These would be units affordable to households earning less than 80 percent of the AMI. The majority of this need (328 to 511 units) should be priced for households earning less than 50 percent AMI (or rents under \$900 per month for a 3-person household). The estimated need takes into account Buffalo Ridge units, which were constructed since the 2000 Census, and provided 244 units affordable to households earning less than 80 percent of the AMI. Keep-up units needed include an additional 129 units by 2010 and 132 units between 2010 and 2015.

Interviews with long-term rental housing properties in Avon indicate properties are full and most have wait-lists. It was noted that during the winter season this is typical for the area. However, vacancy rates in the County as a whole during the non-peak employment season (July through September 2005) were around 5 percent, which is generally the lowest vacancy desired in terms of ensuring adequate housing opportunities and choices for renters. Local Avon rentals indicated that they tend to have only a handful of units turnover each year, with Buffalo Ridge being

somewhat dependent on the construction activity in the area. The majority of employers interviewed indicated that the low availability of long-term rentals affects their ability to recruit employees, particularly in the winter months.

Although seasonal winter workers were cited as a primary reason for the low availability of rentals during winter, most employers were more impacted by the unavailability of long-term rentals rather than seasonal rentals. Seasonal units are not necessarily as significant a need as year-round rentals, but seasonal needs should continue to be monitored as "ski front" development (e.g., Gondola, accommodations, etc.) occurs in Avon. As more winter visitors are attracted to Town, this will most likely change the picture of seasonal worker needs among businesses in Avon in the future.

Ownership Units

As summarized in the table below, residents with housing problems and in-commuters that may prefer to live in Avon if suitable and affordable housing was available need between 301 and 502 ownership units priced between about \$137,000 to \$320,000 for a 3-person household in Avon (e.g., the average size of Avon households)¹. This figure takes into account the current number of housing units available on the MLS as well as deed-restricted development that has occurred since the 2000 Census that would be affordable to these households. Realtors indicated that units priced up to \$400,000 were in demand from locals and are generally not available, which would result in additional units needed for catch-up purposes. Keep-up needs would require another 92 units by 2010 in this price range and 96 by 2015. More specifically:

- Ownership units priced between \$137,000 and \$170,000 (3-person 60 to 80% AMI households). The current level of production and availability of units within this price category is below the current needs of residents and in-commuters (34 to 59 units). Keep-up will need to produce about 10 units by 2010 and another 10 units by 2015 to meet new employee household needs. These households represent the entry-level ownership market.
- Ownership units priced between \$170,000 and \$230,000 (3-person 80 to 100% AMI households). This group shows the second largest gap in needs compared to supply, where catch-up programs will be needed to meet resident and in-commuter needs of between 91 and 158 units depending on whether needs of 25 percent or 50 percent of in-commuters are addressed. Keep-up will need to produce an average of about 30 units by 2010 and another 30 by 2015 to meet new employee household demand (or about 6 units per year on average). These households also represent the entry-level ownership market.
- Ownership units priced between \$230,000 and \$275,000 (3-person 100 to 120% AMI households). This represents the largest gap in housing compared to resident and in-commuter needs. Compared to existing supply, there is a deficit of between about 120 to 194 catch-up units for households in this AMI range. Keep-up needs represent another 34 units by 2010 and about 35 units by 2015 (or about 7 units per year). These households include both entry-level owners and potentially some move-up owners that presently own homes, but are looking for a larger or different home to accommodate changing life circumstances (growing families, etc.).
- Ownership units priced between \$275,000 and \$320,000 (3-person 120 to 140% AMI households). Interviews with realtors exposed that they have noticed a gap in the market for units for locals priced generally below \$400,000. Comparing housing needs of the higher income households to market provision of units indicates a gap in supply of units in this range – equating to a minimum of about 60 to 95 units of catch-up. It is expected that resident owner households looking to purchase a different home would create additional resident need for this product beyond that shown in the below table. Keep-up needs would require another 16 units by 2010 and

¹ A 3-person household would need a two- to three-bedroom home (assuming no more than 1.5 persons per bedroom to avoid overcrowding), with option for some 4-bedroom units. In comparison, a 1-person household earning between 60 and 140% AMI could afford homes priced between about \$100,000 to \$250,000 (would include 1- and 2-bedroom units) and a 2-person household earning between 60 and 140% AMI could afford homes priced between about \$120,000 to \$285,000 (range of 1-, 2- and some 3-bedroom units).

17 units by 2015 to maintain pace with employee household growth over the next decade. This income group largely represents move-up owners.

Provision of housing for the higher AMI ranges should be explored, particularly if entry-level home purchase opportunities increase in Town, given that purchasers of entry-level homes largely comprise the future market for larger, more expensive units. These units will also accommodate needs of new employees recruited to fill higher-paying positions (upper management, etc.) that may have owned a home in their previous community and are looking for comparable housing in Avon.

Summary of Housing Needs and Characteristics by Area Median Income (AMI): Avon 2006

AMI Range <i>Median 3-Person Family Income</i>	50% or Less AMI <i>\$36,000 or less</i>	50.1 to 60% AMI <i>\$36,001 to \$43,200</i>	60.1 to 80% AMI <i>\$43,201 to \$53,650</i>	80.1-100% AMI <i>\$53,651 to \$72,000</i>	100-120% AMI <i>\$72,001 to \$86,400</i>	120-140% AMI <i>\$86,400 to \$100,800</i>	Over 140% AMI <i>Over \$100,800</i>
Renter Households							
Percent of Renter Households	37.1%	7.0%	12.4%	15.6%	12.3%	4.3%	11.3%
Max Affordable Rent	\$900	\$1,080	\$1,341	\$1,800	\$2,160	\$2,520	Over \$2,520
Catch-up Need/Gap*	328 to 511	5 to 39	0 to 52	Market generally affordable	Market generally affordable	Market generally affordable	Market generally affordable
Keep-up Need 2010	85	16	28	-	-	-	-
Keep-up Need 2015	87	16	29	-	-	-	-
Owner Households							
Percent of Owner Households	8.3%	2.8%	5.6%	15.1%	16.8%	7.8%	43.6%
Max Affordable Purchase Price	\$113,918	\$136,694	\$169,760	\$227,823	\$273,388	\$318,952	Over \$318,952
Catch-up Need	NA	NA	34 to 59	91 to 158	120 to 194	57 to 92	146 to 340
Keep-up Need 2010	NA	NA	11	31	34	16	90
Keep-up Need 2015	NA	NA	12	32	35	17	92
Who are They (based on 1-person wages/incomes)	Wage: Under \$28,000 Accommodation and Food Services; Retail (70% est.); Recreation (60% est.); Schools Maintenance, front desk/administration, housekeeping, dish washers, cashiers, lift operators, seasonal workers, snowmakers, stockers	\$28K to \$33,600 Retail; Services; Education; Government Bus drivers, maintenance technicians, mechanic assistant, human resources, accounting assistant	\$33.6K to \$41,700 Arts, Entertainment, and Recreation; Retail; Information; Manufacturing; Government County average wage (\$36,427), entry level managers (retail), mechanic, maintenance supervisor, entry- level planner	\$41.7K to \$56,000 Wholesale trade; Government; Professional services; Construction; Real Estate; Schools (70%+) Teachers/instructors, assistant managers, entry engineers, network analysts, finance officer, police	\$56K to \$67,200 Professional services, Government, Finance and Insurance, Utilities, Retail Upper engineers, co-managers (retail), police, programmers	\$67.2K to \$84,000 Schools, Government, Professional services, Real estate Principals, upper management, Town manager, development director	\$84K or more Management of Companies Store manager; Upper Town management, Finance director, Company managers

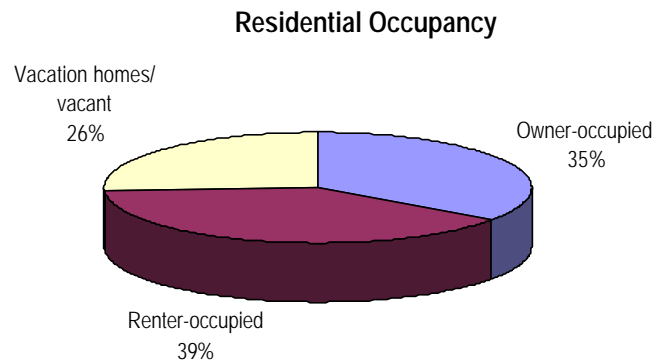
*Catch-up need/gap includes a deduction for Buffalo Ridge, which was constructed in Avon since the 2000 US Census (244 total units affordable to a range of households earning less than 80 percent AMI).

NOTE: In-commuter and keep-up needs assume that the same percentage of owners and renters will be maintained in town (52.7 percent renters; 43.7 percent owners).

Next Steps

The Town of Avon Housing Needs Assessment identifies the range of housing needed by current and future residents and employees in the Town of Avon that is currently not being supplied by the housing market. This includes catch-up gaps (or current units that would be needed to help relieve cost-burden and provide more housing options for local residents and current in-commuters) and keep-up gaps (or units that would be needed in the future to accommodate new employees needed to fill new jobs in the Town of Avon). Ideally, the Town of Avon would be able to address resident and employee needs in full; however, in actuality, due to limited financial resources, land capacity and other factors, communities must often identify a segment of the households in need to target with housing programs until additional resources can be acquired to broaden housing programs and availability. In other words, the Town of Avon should evaluate their resident and employee housing needs in conjunction with the opportunities and constraints in the Town, and set priorities and goals for local housing programs. This would include:

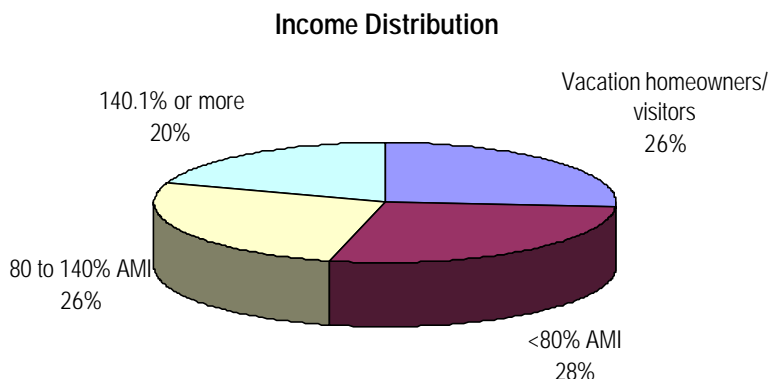
- **Goal/Priority Setting.** As the Town of Avon continues to develop and land becomes less available, it becomes increasingly more important to ensure that this growth accommodates all segments of the population. This has important considerations with respect to any desired resident housing goals in the area. The relationship between commercial development and local resident housing for workers becomes a more critical part of the equation as available land and capacities decline. The extent to which employee housing is a priority in the Town of Avon needs to be determined, as well as identification of potential locations for that housing, households to target and workable programs to produce housing. Some key measures that many communities consider in setting goals include:
 - Residential occupancy – as of the 2000 Census, about 26 percent of housing units in Avon were owned by second homeowners and used for vacation units. Is this an acceptable mix of resident-occupied units compared to vacation units or should a different mix be the target? How does this compare with recent/new development in Town – is the market developing units such that 74 percent will be occupied by locals?



Source: 2000 Census

- Employee residency – as of the 2000 Census, about 29 percent of persons employed in the Town of Avon also lived in the Town of Avon. As of 2006, this means that about 1,240 local employees live in town and 3,100 commute into town for work. Is this an appropriate percentage of workers housed in Avon, or should goals target a different percentage?
- Income distribution – presently about 28 percent of Avon residents earn less than 80 percent of the AMI, 26 percent between 80 and 140 percent AMI and 20 percent earn over 140 percent AMI.

What is the desirable mix of incomes and unit occupancy that Town housing programs should strive to achieve?



Source: 2000 Census

By knowing how much housing is needed and which segments to target, the Town can identify the mix of programs that can produce the type of housing needed and in sufficient volume to meet Town goals.

In setting goals, it is important not to focus on one need over the long term at the exclusion of other housing needs. Although this can be done in the near term to ensure some successes of implementation and broaden resources in the community, long-term goals should be focused on targeting all housing needs. The goal of any housing program should be to provide a range of housing in the community that is affordable and likely to be sought out by households in different income groups and at different life stages. Targeting programs across a wide range of affordability levels and housing needs will ensure that residents have a selection of housing to meet their requirements at different stages of their life (entering the workforce, starting a family, retiring, etc.), thus supporting an economically and demographically balanced community.

- Plan For Residential Growth/Demand. About 3,400 jobs are projected to be added in Avon by 2015². With the addition of the Gondola and associated increased focus on resort-side development and tourism, many of these jobs will likely be related to the lower and mid-wage range industries, including retail, lodging and service industries. These jobs will create additional demand for affordable rental and entry-level buyer housing over the next ten years; whereas the convenient ski access is expected to increase second homeowner interest and speculation. It will be important for the Town to plan for, encourage and support more affordable housing development as a result of this demand.
- Inventory Resources. In conjunction with the above, the Town of Avon also needs to take inventory of their existing land, funds available, redevelopment areas/ opportunities, current planned growth and desired future direction for growth to determine existing and desired opportunities for locating new housing to be produced through programs. The Town also needs to explore the range of program opportunities and options available to them, including which programs the Town itself can implement as well as partnership opportunities with the private market, non-profits and other public agencies. A complete inventory of available resources coupled with different housing programs is important to understand which type of programs will be most effective in providing housing for the area and to ensure housing for residents is planned as an essential part of the growth of the community.

² Source: Department of Local Affairs (DOLA); US Census Bureau ZIP Code Business Patterns; RRC Associates, Inc.

Program Opportunities and Recommendations

Several program options are available to help address housing needs. The below housing program matrix is intended to summarize a range of alternatives for consideration by the Town of Avon and provides a definition/description for each program, potential funding sources where applicable and opportunities and constraints for the Town to consider for each program. The matrix may not be fully inclusive of programs in Eagle County and it is encouraged that Town do additional research on local availability of other programs (e.g., through local non-profits, Eagle County Housing Department, etc.). At a minimum, we recommend that the Town consider the following:

- Permanently Affordable Ownership Units. We recommend any affordable units created be “permanently affordable” particularly in light of recent surges in housing prices, the Gondola development and other projects that will increase the “ski-side” attractiveness of Avon to out-of-area buyers and result in continued escalation of prices beyond local affordability and the limited land capacity in the Avon area for housing development. The advantage to this product is that it offers units at below market prices for income-qualified (and often employment-qualified) buyers, allowing them to purchase homes that would not normally be available to them in the free-market. The trade-off is that appreciation of these homes is limited to ensure permanent affordability upon turnover of the unit to a new qualified buyer, thereby creating a supply of permanently affordable ownership units in the Town. Units produced as permanently affordable should, therefore, target price points not available on the free market in Avon, which generally includes ownership units suitable for year-round occupancy for locals (singles, couples, families and seniors) priced under about \$350,000 to \$400,000.

In line with permanently affordable units, it is recommended that the Town adopt and implement standard deed-restriction language that will maintain affordability of units over time. By using consistent language and requirements, this will simplify implementation and management of the deed restrictions as well as improve public understanding of the program (e.g. if different units have different qualification steps and requirements, this can be difficult and frustrating for the public and add to confusion over the program).

- Zoning. Evaluate areas where higher densities would be appropriate. This would include areas that could support multi-family and/or small lot single-family housing. Consider mixed-use zoning that would support both residential and non-residential development. Consider PUD ordinances that allow flexibility in densities and lot requirements (lot size, setbacks, etc.), particularly for developments proposing some locally affordable units.

Consider regulations that require contributions to (or development of) affordable housing as a component of the development (inclusionary zoning, impact fees, commercial linkage, etc.). The mitigation rates and program requirements of inclusionary zoning and commercial linkage will vary depending upon Town goals for meeting housing needs, target price points for housing, the development capacity of the Town (e.g., new subdivisions or primarily redevelopment and changes of use) and Town goals with respect to “balancing” commercial and residential development.

- Land Banking. Identify key sites for future housing development that are either currently publicly owned or that could/should be purchased for future housing development. Develop workable designs for future housing projects on these properties when needed. This approach permits incorporation of affordable housing into community development plans, but often requires continued public education about intended development plans and uses for sites. Land banking works well in combination with partnership opportunities to provide housing.
- Partnerships. Encourage public/private partnerships as a means to achieve identified housing goals. Through such partnerships, housing that is more affordable can be achieved with enhanced financing options, assuring that a portion of the housing that is created will be affordable and provided to residents of Avon. In other words, units can be introduced into the area that will retain affordability over time without on-going financial resources.

The Eagle County Housing Department can also be a significant resource in broadening financing capabilities and researching housing opportunities.

- Rentals. Low-income rentals (priced for households earning less than 50 percent AMI) are in short supply for Avon residents and employees. The Town can encourage developers to pursue tax credit and other options for low-income rentals through expedited application processes, assistance with state agency applications for grants/funding and deferred fees, for example. Mixed-income developments will mitigate the perception of "low-income" housing projects and will increase options for low-income residents.

SUMMARY OF HOUSING PROGRAM OPTIONS

Category	Program & Housing Produced	Program Description	Implementation and Funding	Opportunities, Constraints & Considerations
Rental Programs	<u>Rent/Utility assistance</u> Housing assistance, not production	Provides grants to income-qualified renters for rent and/or utility payments.	Potential for an expanded role for a local agency—Housing Authority?	Assists very low income households – those that make trade offs between rent and food/medication/other necessities.
	<u>Income-restricted rentals (tax credit, USDA, HOME, etc)</u> Typically multi-family, rentals (60% AMI or lower)	Offers quality housing at below-market rental rates for income-qualified renters (typically income restricted for households earning below 30% and up to 60% AMI). This may also include rentals that are age-restricted for seniors and that are disability restricted/accessible.	Private, non-profit and government development programs; State Division of Housing (HOME and CDBG funds). The Town can encourage developers to pursue tax credit and other options for low-income rentals through expedited application processes, assistance with state agency applications for grants/funding and deferred payment of development fees/fee rebates, for example.	Mixed income developments will mitigate the perception of “low-income” housing projects and will increase options for low-income residents. Rental housing should be encouraged in areas near community services and accessible transit routes Tax credit financing is available to private sector developers, as well as non-profits and housing authorities, although these developments have been difficult to put together in mountain communities because of relatively high wages.
	<u>Rental rehabilitation</u> Does not produce new housing, but makes units inhabitable/ suitable for occupancy/ energy efficient, etc.; rentals	Explore options to provide low-interest loans to or otherwise encourage landlords to upgrade older rental properties. Alternative opportunities to purchase rental properties, renovate and re-lease at below-market/income-restricted rates	Home Improvement Loan Program, non-profit assistance	Makes use of existing, older housing stock. Improves “façade” of community by upgrading/renovating older areas of town. Improves energy efficiency of homes/reduces energy costs.

Category	Program & Housing Produced	Program Description	Implementation and Funding	Opportunities, Constraints & Considerations
Homebuyer Programs	<u>Sweat-equity and fixer-upper programs</u> Typically ownership units for 60 to 120% AMI households – but depends on needs in area.	New homes locals can own, built in part by themselves, volunteers and family. Program options could also encourage acquisition of older homes and renovation through sweat equity. Both new home production and existing home renovation potential.	Habitat for Humanity USDA Section 523 Mutual Self-Help Housing program	Opportunity to use and renovate existing housing stock to improve occupancy and suitability of existing units. Satisfaction with being involved in own home construction.
	<u>Low-interest rehabilitation loans</u> Housing assistance, not new home production, renovate existing housing stock.	Low-interest loans to make needed health and safety improvements to owner-occupied housing for seniors and lower income households. Support rehabilitation loan programs that can be available to first-time homebuyers.	Potentially the Eagle County Housing Department, local non-profits such as Habitat for Humanity through sweat-equity assistance.	Makes use of existing, older housing stock. Improves overall community by upgrading/renovating older areas of town. Improves energy efficiency of homes/reduces energy costs.
	<u>Permanently affordable housing (deed-restricted)</u> Typically ownership units for 80 to 120% AMI households – but depends on needs in area. Single family, multi-family or mixed-use	Units sold at below market prices for income-qualified buyers. Appreciation of these homes is limited to ensure permanent affordability upon turnover of the unit to a new income-qualified buyer, thereby creating a supply of permanently affordable ownership units.	Typically produced through housing requirements such as inclusionary zoning or linkage programs, or products provided through non-profit and government programs.	Deed-restricted homes provide households that are normally priced out of the housing market with an opportunity to purchase a home, build equity and get established in the community. Must ensure price points are below market-rate prices – if given the option at the same price point, households will purchase a market-rate home.
	<u>Loan assistance</u> Housing assistance, not production	May include grants or no-interest or low-interest loans to cover closing costs for income-qualified buyers; education programs of the loan process; work with local lenders to tailor loan programs to local needs.	Eagle County Housing Department, local banks, Fannie Mae, CARHOF and the State Division of Housing may be sources of funds	Needs funding source/lender agreements. Helps renters take the first step toward homeownership.
	<u>Down payment assistance</u> Housing assistance, not production	Provides grants or no-interest or low-interest loans to buyers to cover down payment costs. Programs may have time limits to determine grant versus loan – e.g. if home is occupied for over five years, it's a grant; if resold within 5 years, it's a loan.	Eagle County Housing Department and same potential sources of funds as loan assistance	Down payment assistance will help renters take the first step toward homeownership. Needs funding source/lender agreements.
Other Programs	<u>Land Banking</u> All types of units	Identify key sites for future housing development that are either currently publicly owned or that could/should be purchased for future housing development. Develop workable designs for future housing projects on these properties when needed.	May be federal or state grants or loans available; possible local fund sources (impact or linkage fees, RETT, etc.)	Adjacent landowners may object. Incorporates affordable housing into community development plans. Requires continued public education about intended development plans for sites.

Category	Program & Housing Produced	Program Description	Implementation and Funding	Opportunities, Constraints & Considerations
Production Incentives	<u>Annexation Policies</u> Produces multi-family and single-family homes, variety of income ranges, typically ownership.	With cooperative policies between the County and local municipalities, developers may seek annexation to acquire and/or increase development potential. Because municipalities have broad discretion with annexations, policies can require the provision of affordable housing.	Develop and enforce an annexation policy and affordable housing requirements. No outside funding needed.	Level of effectiveness dependent upon annexation opportunities. Program may not be popular among adjacent landowners.
	<u>Fee Rebate (this is NOT a fee waiver)</u> Applicable to all types of housing production (owner, renter, etc)	Rebate of development fees to the developer of affordable housing. Value used to subsidize housing development.	Local government can identify a source of funds that is appropriate for affordable housing, such as general fund revenues, and establish a pot to pay the fees for the developer.	Still provides needed revenue to the city/county for services/other required fees; revenue shortfalls for rebates may occur.
	<u>Streamlined/ expedited approval process</u> Applicable to all type of housing production (owner, renter, etc)	Developments proposing substantial public benefit by incorporating affordable housing may be placed through a streamline/expedited approval process to decrease the costs and time of production of the project to the developer. This may include reduced pre-meeting plat costs, "front of the line" status, city/county cooperation to expedite needed inspections/help with state applications for funding (where needed – e.g., CHFA), etc.	Establish specific criteria and procedure, administer program.	Developers often express costs and time incurred during the approval process to greatly limit their ability to provide more affordable housing; need to set realistic targets for streamlining (not every step of the process can be stream lined); public education needed for the justifications of streamlining; may not be popular among adjacent landowners
	<u>Flexible Planned Development options</u> Applicable to all types of housing production (owner, renter, etc)	Permits modification of certain zoning requirements (setbacks, lot size, etc.) in exchange for improved development design (incorporated for example mixed-use development, open space, etc.). There may be a minimum affordable housing requirement that would need to be met for these developments. May incorporate aspects of density bonuses and streamlined approval.	Not applicable	Improved design and livability potential for new subdivisions; incorporates affordable units with market units to integrate housing design; public education of new development designs needed; may not be popular with adjacent landowners. Consider changes in ordinances that not only encourage development of permanently affordable housing, but also make it feasible for the private market to provide lower priced market-rate units.
	<u>Accessory Units</u> Small rental units, serves singles, seasonals, couples	Optional, small second units attached to or within single family units.	Administration of zoning and deed restrictions.	Should be deed restricted. Income and occupancy difficult to enforce.

Category	Program & Housing Produced	Program Description	Implementation and Funding	Opportunities, Constraints & Considerations
Production Mandates	<u>Inclusionary Zoning Requirements</u> Typically ownership units; single-family or multi-family; typically for 80% to 120% AMI households, but dependent on local needs	Mandatory inclusion or set aside of affordable housing units (usually the same type or similar to other units in development). Program may allow cash-in-lieu, land-in-lieu, purchase/renovation of existing units or off-site housing as an option for compliance.	Administration of zoning and deed restrictions. Allocation of cash-in-lieu and/or land-in-lieu if collected.	Integrates free-market and income restricted housing. Places burden on residential developer to provide housing (which may be passed on to the free-market consumer). Locational issues include transportation impacts and achieving a desirable socio-economic mix within developments. Perception that deed restricted units may affect value of free market units.
	<u>Residential Employee Generation Mitigation</u> Same as above	Requirement for residential development to provide housing or fees-in-lieu for some portion of employment positions created by the development (residential services, etc.)	Administration of zoning and/or deed restrictions. Allocation of funds, if collected.	When mitigation is provided on-site, attention must be provided to locational issues and compatibility of housing. If fees collected, acts as a revenue source for housing programs.
	<u>Commercial Employee Generation Mitigation</u> Typically ownership units; single-family or multi-family; often for under 80% AMI households, but dependent on local needs	Zoning provisions that require commercial development (lodge, retail, industry, etc), to provide funds or housing to meet some portion of seasonal and/or long-term employment generated by new development (15% to 60% range common).	Administration of zoning and/or deed restrictions. Allocation of funds, if collected.	Possible mass and scale consequences. Site suitability issue -- short-term accommodations would be located differently than long-term worker housing. If fees collected, acts as a revenue source for housing programs. Combined residential and commercial mitigation shares the housing burden across both types of development.
Revenue Generation	<u>Fees-based Programs (Impact fees, fees-in-lieu of housing production, etc.)</u> Applicable to all types of housing production (owner, renter, etc)	Dedicated fee-based funding sources that can be used for housing programs. Examples include impact fees, business license fees, etc. Could also include the <u>voluntary</u> real estate transfer fee.	Program provides funds for housing programs	Tendency to use funds for low and moderate income groups. Middle income needs might not be met (unless complemented with other programs). Spreads burden beyond just the development community.
	<u>Tax-based Programs (sales tax, lodging tax, etc.)</u> Applicable to all types of housing production (owner, renter, etc)	Augment housing fund with dedicated tax-based funding sources. Options include sales tax, housing excise tax, head tax, property tax, recreation activities tax, luxury tax, lodging tax, etc.	Program provide funds for housing programs	Tendency to use funds for low and moderate income groups. Middle income needs might not be met (unless complemented with other programs). Spreads the burden for local housing beyond just the development community. Tourism can help pay for impacts.
Collaboration/ Public Resources	<u>Partnerships between public, non-profit and private entities</u> Applicable to all types of housing production (owner, renter, etc)	A variety of methods exist for public and private entities to jointly develop affordable housing. The focus of these efforts would be to leverage public resources.		Potential exists to involve private sector entities, both large and small, to develop housing solutions. Teller County has a wide array of existing non-profit and private activity in local housing mitigation – pooling resources could make programs even more effective.

SECTION 1 – POPULATION AND DEMOGRAPHICS

Information from the 2000 Census was reviewed for the Town of Avon. Census information provides a benchmark from which other information can be evaluated, in addition to providing insights as to community characteristics at the time of the Census.

Town of Avon

For the Town of Avon, an evaluation of the Census information revealed the following:

- Seasonal/recreational use of homes in 1999 was about 21 percent in Avon, in comparison with Eagle County at 27 percent and the State at 48 percent. Overall, about 74 percent of units in Avon were occupied by residents. A lower 69 percent of units in Eagle County were occupied by residents.
- At the time of the Census, 47 percent of homes occupied as primary residences were owner-occupied, in comparison to Eagle County at 63 percent. Owners have slightly larger households (2.6 average household size) compared to renters (2.4 persons). Not surprisingly, most owner-occupied homes in Avon were occupied by families (58 percent). In the US Census, families are defined as a householder living with one or more people related to him or her by birth, marriage, or adoption. A relatively high percentage of renter occupied homes (46 percent) are also occupied by families.
- As of the 2000 Census, roughly 83 percent of homes in Avon were multi-family units (condominiums, townhomes, apartments and dup/tri-plexes). Only about 9 percent of the homes were single-family detached structures. Another 8 percent of units were comprised of mobile/manufactured homes.
- Avon is a relatively new community. Residential development originally took off in the 1970s (14 percent of homes). Development in Avon continued to grow between 1980 and 1994. Roughly 56 percent of homes were built during this time and an estimated 29 percent of homes have been built between 1995 and 2000.
- Turnover in Avon at the time of the 2000 Census was high, with 43 percent of residents noting they had moved into their current residence in the 15 months preceding the 2000 Census. Eagle County, in comparison, had 30 percent move-in during this time period. Due to the timing of the US Census (April 2000), it is expected the high turnover is partially due to seasonal workforce conditions.
- Renters in Avon have a slightly lower percentage (20 percent) of single-person households than owners (23 percent). Eagle County, in contrast, has a slightly higher percentage of renter households with single occupancy (25 percent) than owner households (19 percent).
- About 15.5 percent of households were overcrowded in Avon as of the Census (defined as having 1.01 persons or more per room). This includes 22.6 percent of renter households and 8.2 percent of owner households. Overcrowding may be slightly inflated due to seasonal workforce conditions.
- At the time of the Census, the largest householder age group in Avon was 25 to 34 yrs (36 percent), followed by 35 to 44 yrs (26 percent). A small percentage of households (2.6 percent) were headed by seniors (age 65+). This is low compared to Eagle County (5.3 percent) and the State (16 percent).
- The median income of owners in 1999 (\$73,015) was almost twice that of renters (\$37,569). Renters were much more likely to pay 30 percent or more of their income for housing (48 percent) than owners (28 percent). Cost burden is generally a growing problem, as the number of households paying more than 30

percent of their monthly income for housing more than tripled between 1990 and 2000. In addition the percentage of cost-burdened households increased from 35 percent in 1990 to 42 percent in 2000.

- The median family income (as reported by HUD) increased 29 percent between 1999 and 2006, from \$61,833 to \$80,000.
- The average value of owner occupied single family homes more than doubled in Avon between 1990 and 2000, from \$184,400 to \$373,000. Average household incomes reported by the Census increased by 61 percent during this same time period. These figures, along with the increasing incidence of cost-burden, indicate that homes are continuing to become less affordable to Avon households.
- Some important comparisons between Avon and the State of Colorado are also worth noting:
 - The median value of single-family homes in Avon in 2000 (\$373,000) was about 2.3 times higher than in the state of Colorado as a whole (\$160,100);
 - The median rent in Avon (\$954) was 1.6 times higher than in the state of Colorado as a whole (\$611) in 2000.
 - The median household income of Avon residents (\$56,291) was only 1.2 times higher than in the state of Colorado as a whole (\$47,203). The median family income in Avon (\$52,339) was lower than in the state of Colorado as a whole (\$55,883).
 - Based on the above figures, it is not surprising the percentage of cost-burdened households in Avon (42 percent) is much higher than in the state of Colorado as a whole (29 percent).

Community Highlights

Avon, CO – Pop. 5,561

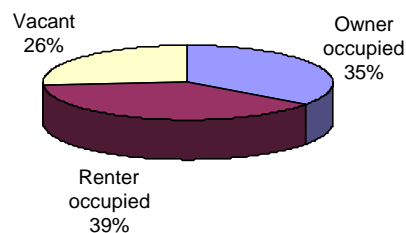
Housing Unit Estimates and Physical Characteristics

Use/Tenure

	#	%
Housing Units	2,557	100.0%
Occupied as primary home	1,890	73.9%
Owner occupied	894	47.3%
Renter occupied	996	52.7%
Vacant	667	26.1%
Seasonal/recreational use	523	20.5%

* Percent of occupied units, not total units.

Occupancy



Overcrowding/Occupants per Room

	Owners	Renters	Total %
Total #	899	936	100%
1.00 or less	91.8%	77.4%	84.5%
1.01 to 1.50	3.9%	9.0%	6.5%
1.51 or more	4.3%	13.6%	9.0%
% of Households Overcrowded	8.2%	22.6%	15.5%

Kitchen and Plumbing Facilities-Occupied Units

	#	%
Complete Kitchen	1,835	100.0%
Complete Plumbing	1,826	99.5%
Incomplete Kitchen	0	0.0%
Incomplete Plumbing	9	0.5%
Substandard Units	9	0.5%

Type of Heat-Occupied Units

	#	%
Utility gas	905	49.3%
Bottled, tank, or LP gas	11	0.6%
Electricity	883	48.1%
Wood	15	0.8%
Other fuel/none	21	1.1%

Type of Structure

	#	%
Single-Family	219	8.6%
Multi-Family	2,109	83.1%
Mobile Homes	209	8.2%

Units in Structure

	#	%
1-unit, detached	219	8.6%
1-unit, attached	438	17.3%
2 units	21	0.8%
3 or 4 units	90	3.5%
5 to 9 units	373	14.7%
10 to 19 units	466	18.4%
20 or more units	721	28.4%
Mobile home	209	8.2%
Boat, RV, van, etc.	0	0.0%

Year Structure Built

	#	%
1999 to March 2000	240	9.5%
1995 to 1998	499	19.7%
1990 to 1994	678	26.7%
1980 to 1989	742	29.2%
1970 to 1979	355	14.0%
1960 to 1969	14	0.6%
1940 to 1959	0	0.0%
1939 or earlier	9	0.4%
Built since 1990	1,417	55.9%

Year Moved Into Current Residence

	#	%
1999 to March 2000	793	43.2%
1995 to 1998	693	37.8%
1990 to 1994	271	14.8%
1980 to 1989	69	3.8%
1970 - 1979	9	0.5%
1969 or earlier	0	0.0%

Household Demographics*Household Size*

	Total	Owners	Renters
Avg. Persons/Unit	2.81	2.64	2.95

Persons Per Unit

	Owners		Renters	
	#	%	#	%
1-person	202	22.6%	201	20.2%
2-person	326	36.5%	283	28.4%
3-person	158	17.7%	190	19.1%
4-person	108	12.1%	161	16.2%
5-person	48	5.4%	84	8.4%
6-person	29	3.2%	41	4.1%
7+ person	23	2.6%	36	3.6%
Total	894	100.0%	996	100.0%

Bedrooms Per Occupied Housing Units

	Owners		Renters	
	#	%	#	%
No bedroom	25	2.8%	42	4.5%
1 bedroom	72	8.0%	329	35.1%
2 bedrooms	293	32.6%	425	45.4%
3 bedrooms	304	33.8%	99	10.6%
4 bedrooms	175	19.5%	41	4.4%
5 or more bedrooms	30	3.3%	0	0%

Senior Households

Age of Householder	Owners	Renters	Total
65 to 74 years	31	11	42
75 to 84 years	6	1	7
85 years and over	0	0	0
Total	37	12	49
% of Households	4.1%	1.2%	2.6%

Households with Children

	#	%
Total Households	1,890	100.0%
With one or more persons <18	571	30.2%
Married-couple family	410	21.7%
Single parent family	151	8.0%
Nonfamily households	10	0.5%

Race/Ethnicity

	#	%
White	1,517	80.3%
Black or African Amer.	13	0.7%
Am. Indian/Alaska Native	14	0.7%
Asian	22	1.2%
Hawaiian/ Pacific Islander	1	0.1%
Some other race	275	14.6%
Two or more races	48	2.5%
Hispanic or Latino	496	26.2%

Household Type

	Owners	Renters	Total	%
Total	894	996	1,890	100.0%
Family households	515	456	971	51.4%
Married-couple	451	293	744	39.4%
Male householder/ no wife	34	81	115	6.1%
Female householder/ no husband	30	82	112	5.9%
Nonfamily households	379	540	919	48.6%
Male householder	224	351	575	30.4%
Living alone	115	125	240	12.7%
Not living alone	109	226	335	17.7%
Female householder	155	189	344	18.2%
Living alone	87	76	163	8.6%
Not living alone	68	113	181	9.6%

Age Distribution

Age of Householder	Owners	Renters	Total	%
15 to 24 years	35	201	236	12.5%
25 to 34 years	270	421	691	36.6%
35 to 44 years	292	206	498	26.3%
45 to 54 years	165	125	290	15.3%
55 to 64 years	95	31	126	6.7%
65 to 74 years	31	11	42	2.2%
75 to 84 years	6	1	7	0.4%
85 years and over	0	0	0	0.0%

Income, Housing Costs and Affordability*1999 Median Incomes*

	Median in 1999
Household Income	\$56,921
Owner Households	\$73,015
Renter Households	\$37,569
Family Income	\$52,339
Per Capita Income	\$30,115

2006 Median Family Income – Eagle County (HUD)

	50%	80%	100%
1 person	\$280,000	\$41,700	\$56,000
2 person	\$32,000	\$47,700	\$64,000
3 person	\$36,000	\$53,650	\$72,000
4 person	\$40,000	\$59,600	\$80,000
5 person	\$43,150	\$64,350	\$86,333
6 person	\$46,350	\$69,150	\$92,833

Change - Median Family Income, 1999–2006 (HUD)

1999	2006	% Change
\$65,333	\$80,000	24.4%

Income Distribution

	Owners	Renter	Total	%
Less than \$5,000	0	9	9	0.5%
\$5,000 to \$9,999	9	33	42	2.3%
\$10,000 to \$14,999	21	48	69	3.8%
\$15,000 to \$19,999	0	60	60	3.3%
\$20,000 to \$24,999	19	86	105	5.7%
\$25,000 to \$34,999	56	174	230	12.5%
\$35,000 to \$49,999	95	177	272	14.8%
\$50,000 to \$74,999	263	195	458	25.0%
\$75,000 to \$99,999	131	89	220	12.0%
\$100,000 - \$149,999	151	65	216	11.8%
\$150,000 or more	154	0	154	8.4%

Percent of Income Spent on Housing

	Owners	Renters	Total
<15%	114	105	219
15 to 19%	61	76	137
20 to 24%	26	153	179
25 to 29%	62	99	161
30 to 34%	18	111	129
35+%	85	338	423
Not computed	0	54	54
% Cost Burdened	28.1%	48.0%	42.4%
# Cost Burdened	103	449	552

Median Housing Prices/Costs

	2000
Value – Owner Occupied (SF)	\$373,000
Value – Owner Occupied (all)	\$230,200
Mortgage	\$2,037
Gross Rent	\$980
Contract Rent	\$954

Value of Owner-Occupied Units

	SF #	SF %
Less than \$50,000	0	0.0%
\$50,000 to \$99,999	10	2.7%
\$100,000 to \$149,999	7	1.9%
\$150,000 to \$199,999	0	0.0%
\$200,000 to \$299,999	47	12.8%
\$300,000 to \$499,999	219	59.8%
\$500,000 to \$999,999	83	22.7%
\$1,000,000 or more	0	0.0%

Mortgage Amount

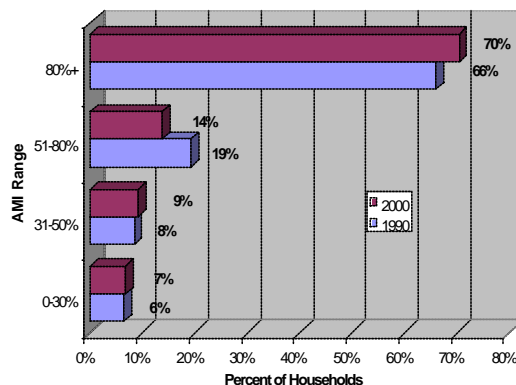
	SF #	SF %
Less than \$300	0	0.0%
\$300 to \$499	0	0.0%
\$500 to \$699	0	0.0%
\$700 to \$999	17	4.6%
\$1,000 to \$1,499	80	21.9%
\$1,500 to \$1,999	67	18.3%
\$2,000 or more	184	50.3%
With a mortgage	348	95.1%
Not mortgaged	18	4.9%

Gross Rent

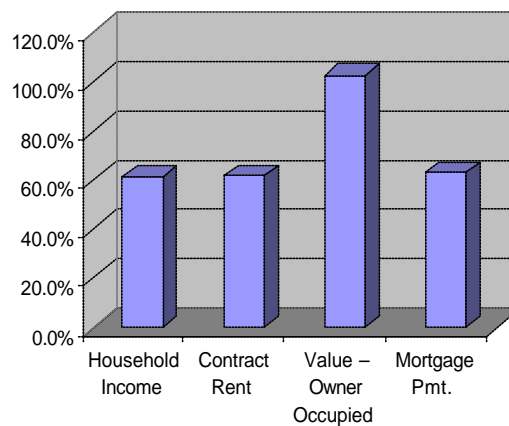
	#	%
Less than \$200	0	0.0%
\$200 to \$299	9	1.0%
\$300 to \$499	52	5.6%
\$500 to \$749	137	14.6%
\$750 to \$999	268	28.6%
\$1,000 to \$1,499	317	33.9%
\$1,500 or more	108	11.5%
No cash rent	45	4.8%

Trends and Comparisons

	1990	2000	% Change
Population	1,798	5,561	209.3%
Housing Units & Households			
# Housing Units	1,344	2,557	90.3%
# Occupied Housing Units	707	1,890	167.3%
Recreational/Occasional	500	523	4.6%
Total Vacant	637	667	4.7%
Homeownership Rate	37.1%	47.3%	27.6%
Household Size			
Renters	2.38	2.95	23.9%
Owners	2.82	2.64	-6.4%
Overcrowded Units	64	285	345.3%
Affordability			
Cost Burdened Households #	178	552	210.1%
Cost Burdened Households %	35.0%	42.4%	21.0%
Median Incomes			
Household Income	\$35,294	\$56,921	61.3%
Family Income	\$38,636	\$52,339	35.5%
Per Capita Income	\$16,561	\$30,115	81.8%
Median Housing Costs			
Contract Rent	\$590	\$954	61.7%
Value – Owner Occupied	\$184,400	\$373,000	102.3%
Mortgage Pmt.	\$1,250	\$2,037	63.0%

Eagle County Households by AMI:
1990 & 2000

Avon % Increase, 1990 & 2000



Comparison to State of Colorado

	State of Colorado	Avon
Owner Occupied Units	67.3%	47.3%
Renter Occupied Units	32.7%	52.7%
Value – Owner Occupied (SF)	\$160,100	\$373,000
Mortgage, Median (SF)	\$1,197	\$2,037
Contract Rent, Median	\$611	\$954
Household Income	\$47,203	\$56,921
Family Income	\$55,883	\$52,339
Change in Household Income, 1990 - 2000	56.6%	61.3%
% Cost Burdened	29.3%	42.4%
Residential Growth Rate, 1990 - 2000	22.4%	90.3%

SECTION 2 – POPULATION AND HOUSEHOLD PROJECTIONS

This section evaluates population and household growth, household area median income (AMI) and households with housing problems. The section includes a discussion on the housing continuum and affordability levels for Avon residents.

Population Estimates

The Department of Local Affairs projects that the population in Eagle County will increase by about 34 percent between 2005 and 2015, or just under 3 percent per year on average. According to the US Census Bureau, as of April 2000, there were 5,561 people living in Avon, making up 13.3 percent of Eagle County's total population. In 2005, it is estimated that about 14 percent of the population in Eagle County resided in Avon, based on a comparison of Department of Local Affairs population estimates for the county and town. Assuming this ratio remains consistent and Avon's population increases at a similar rate to Eagle County's, it is estimated that 7,220 residents reside in Avon in 2006, increasing to 8,256 by 2010 and 9,430 by 2015.

Eagle County and Avon Population: 2000 to 2015							
	2000		2005		2006	2010	2015
	#	%	#	%	#	#	#
Eagle County	41,659	100.0%	49,373	100.0%	50,618	57,881	66,113
Avon	5,561	13.3%	7,042	14.3%	7,220	8,256	9,430

Source: 2000 US Census; Department of Local Affairs; RRC Associates, Inc.

Housing Unit Estimates

Between 1990 and 2000, housing units in Avon increased about 90 percent compared to a 45 percent increase in the county as a whole. Between 2000 and 2005, it is estimated that housing unit growth in Avon and Eagle County occurred at slightly more similar rates (37 and 27 percent, respectively). Assuming housing unit growth rates are similar to the County through 2015 (17.2 percent), it is estimated that the number of total housing units will increase from 3,583 in 2006 to 4,098 in 2010 and 4,680 by 2015³.

Eagle County and Avon Change in Housing Units: 1990 to 2015									
	1990	2000	2005	2006	2010	2015	% Change (1990-2000)	% Change (2000-2005)	% Change (2005-2010)
Eagle County	15,226	22,111	28,169	28,879	33,023	37,719	45.2%	27.4%	17.2%
Avon	1,344	2,557	3,495	3,583	4,098	4,680	90.3%	36.7%	17.2%

Source: Department of Local Affairs; RRC Associates, Inc.

³ If Avon were to continue to grow at a relationally faster rate than Eagle County, about 23 percent between 2005 and 2010, there would be 4,302 households in 2010 as opposed to 4,098.

Household Estimates

According to DOLA, the average household size in 2004 was 2.79. Assuming the household size remains constant, Avon will add approximately 2,388 persons, 1,185 housing units and about 824 households⁴ to the town by 2015.

It is important to note that the percentage of units occupied by Avon residents has been decreasing according to Department of Local Affairs estimates, from about 74 percent in 2000 (based on the Census) to 69.5 percent in 2004. This means that the percent of out of area owners increased between 2000 and 2004.

Avon Population, Households and Housing Units: 2000 to 2015

	2000	2005	2010	2015
Population	5,561	7,042	8,256	9,430
Population in households (Census)	5,307	6,778	7,946	9,076
Household size (Census, DOLA)	2.81	2.79	2.79	2.79
Housing units	2,557	3,495	4,098	4,680
Percent occupied (Census, DOLA)	73.9%	69.5%	69.5%	69.5%
Households	1,890	2,429	2,848	3,253

Source: Department of Local Affairs; Colorado Demography Section; 2000 US Census; RRC Associates, Inc.

Household Area Median Income (AMI)

The following table shows 2006 income limits for households earning 30 percent AMI up to 180 percent of the AMI. Limits are based on the median family income for Eagle County, which is \$80,000 in 2006, as determined by the US Department of Housing and Urban Development (HUD). Typically, these income guidelines are used to establish housing targets and thresholds for different local housing efforts, as well as for Private Activity Bond Allocations, Low-income Housing Tax Credits, Section 8 Rent Subsidy and related housing programs. The income limits are adjusted annually.

Area Median Income Limits By Household Size; Eagle 2006

	1-person	2-persons	3-persons	4-persons	5-persons
30% AMI	\$16,800	\$19,200	\$21,600	\$24,000	\$25,900
50% AMI	\$28,000	\$32,000	\$36,000	\$40,000	\$43,150
60% AMI	\$33,600	\$38,400	\$43,200	\$48,000	\$51,800
80% AMI	\$41,700	\$47,700	\$53,650	\$59,600	\$64,350
100% AMI	\$56,000	\$64,000	\$72,000	\$80,000	\$86,333
120% AMI	\$67,200	\$76,800	\$86,400	\$96,000	\$103,600
150% AMI	\$84,000	\$96,000	\$108,000	\$120,000	\$129,500
180% AMI	\$100,800	\$115,200	\$129,600	\$144,000	\$155,400

Source: Department of Housing and Urban Development; RRC Associates, Inc.

Special tabulations of the 2000 US Census data (CHAS – Comprehensive Housing Affordability Strategy) were used to determine the number and percentage of Avon households within each AMI category shown above. For purposes of this analysis, it was assumed that the percentage distribution of households in 2006 across all AMI categories remained the same as that in 2000. As shown in the following table, about 37 percent of Avon's households earn

⁴ Households were estimated by assuming (1) 96 percent of residents reside in households (DOLA, 2004), (2) the average household size will remain consistent with that reported by DOLA in 2004 (2.79) and (3) residents will occupy about 69.5 percent of housing units, as reported by DOLA 2004 estimates.

less than 80 percent AMI, 30 percent earn between 80 and 120 percent AMI and 33 percent earn over 120 percent AMI. The AMI distribution of households in Avon varies by tenure, where renters are more likely than owners to earn less than 80 percent AMI (57 percent of renters and 17 percent of owners).

**Income Distribution Of Avon Households By Tenure:
2000 Census (update to 2006) Estimates**

	Renters		Owners		Total	
	#	%	#	%	#	%
<=30%	219	16.7%	26	2.2%	245	9.9%
30-50%	269	20.5%	72	6.1%	341	13.7%
50-60%	92	7.0%	33	2.8%	125	5.0%
60-80%	163	12.4%	66	5.6%	228	9.2%
80-100%	205	15.6%	178	15.1%	383	15.4%
100-120%	161	12.3%	197	16.8%	359	14.4%
120-140%	57	4.3%	92	7.8%	149	6.0%
140%+	148	11.3%	513	43.6%	662	26.6%
TOTAL	1,313	100%	1,178	100%	2,491	100%

Source: U.S. Census Bureau; CHAS; Colorado Department of Local Affairs; RRC Associates, Inc.

Households with "Housing Problems"

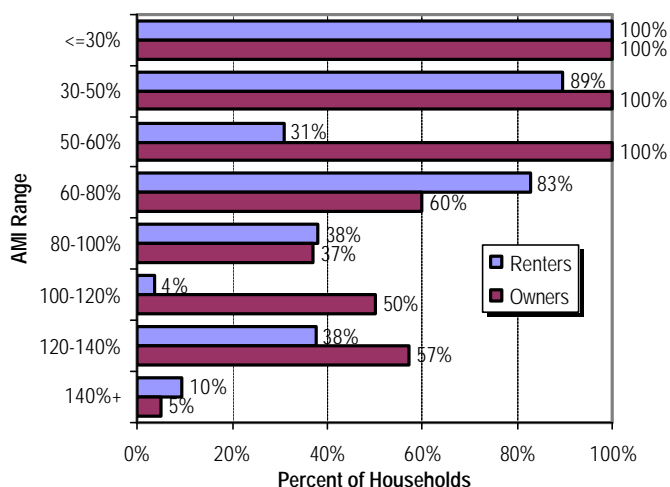
As noted in the "Population and Demographics" section, about 42 percent of households in Avon were cost-burdened (paid over 30 percent of their household income for rent/mortgage) in 2000, including 28 percent of owners and 48 percent of renters.

The 2000 US Census CHAS (Comprehensive Housing Affordability Strategy) tabulations report households with "housing problems" by household area median income (AMI) levels. "Housing problems" are defined as households that are lacking complete plumbing or kitchen facilities, with 1.01 or more persons per room (i.e., overcrowded) and/or cost-burdened (paying more than 30 percent of household income for rent/mortgage). About 44 percent of households reported having housing problems, including 33 percent of owners and 55 percent of renters. Evaluated by AMI range, the data shows that:

- About 67 percent of renter households in Avon earning below 80 percent AMI reported housing problems. This AMI category represents the primary income range for rental unit demand. About 84 percent of renter households earning less than 60 percent AMI also reported housing problems.
- About 35 percent of owner households earning between 60 and 140 percent of the AMI reported housing problems, with those earning between 60 and 80 percent of the AMI and 120 to 140 percent of the AMI reporting the most problems (60 and 57 percent with housing problems, respectively). Owner housing programs often target households earning between 60 and 120 percent of the AMI, and potentially higher, depending on the needs in the community, where this income range includes entry-level buyers and some move-up buyers.
- Many of the higher income owner households (those earning over 140 percent AMI) may be cost-burdened by choice, where higher incomes are generally (though not always) more able to afford to pay over 30 percent of their income for housing without sacrificing other needs (food, clothing, medical, etc.). Only 5 percent of owners reported having housing problems in this higher income range. Also, lower income owner

households (less than 50 percent AMI) are often senior and retired households, where household income may be low compared to housing costs, but other assets can be substantial.

Households With Housing Problems by AMI, 2000; Avon



Source: 2000 US Census (CHAS Special Tabulation)

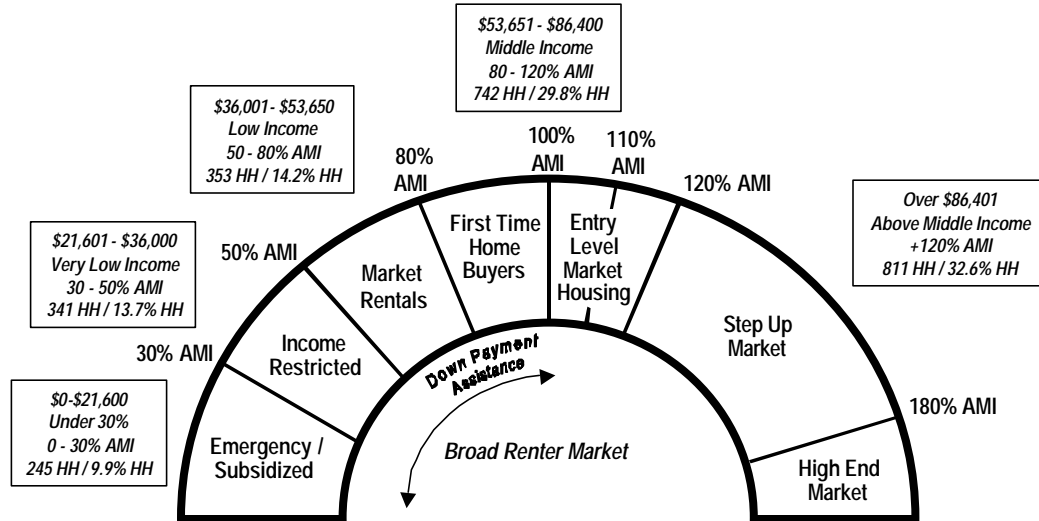
* "Housing problems" is defined as lacking complete plumbing facilities, or lacking complete kitchen facilities, or with 1.01 or more persons per room and/or with cost burden more than 30.0 percent.

Housing Continuum

The Housing Continuum, illustrated below, can be helpful in moving from aggregate estimates of housing units needed to specific programs and policies that target the housing needs within the community. The Continuum shows the percentage and number of households in Avon that fall into each AMI category, based on 2006 household estimates, along with a spectrum of housing that is affordable and most likely to be sought out by households in each AMI group. The Housing Continuum depicts what may be ideal for most communities – the availability of housing that is affordable to all households and options for changing life circumstances. What is key in this approach is that there are opportunities for households to buy or rent at different economic levels, thus supporting an economically balanced community. As shown:

- **Up to 80 percent AMI:** At the lowest income levels, homelessness and the threat of homelessness are important issues. Additionally, special populations who are unable to work (e.g., seniors and the disabled) may require assistance at the lower income levels. Affordability problems, especially for renters, may also be present among the working poor. As shown, about 9.9 percent of Avon residents fall into this category (less than 30 percent AMI), with an additional 13.7 percent of households earning between 30 and 50 percent of the AMI and about 14.2 percent earning in the low-income range (50 to 80 percent AMI).
- **80 to 120 percent AMI:** As incomes near the median, households begin to approach the point where they can buy their first home (80 to 120 percent AMI). Policies at this level are typically designed to help bring homeownership within reach, including down payment assistance, first-time homebuyer loans and deed-restricted housing. Approximately 29.8 percent of Avon households fall within this income range.
- **Over 120 percent AMI:** Finally, at the highest levels, upper income groups fuel the market for step-up and high-end housing, where about 32.6 percent of Avon households are included in this income level.

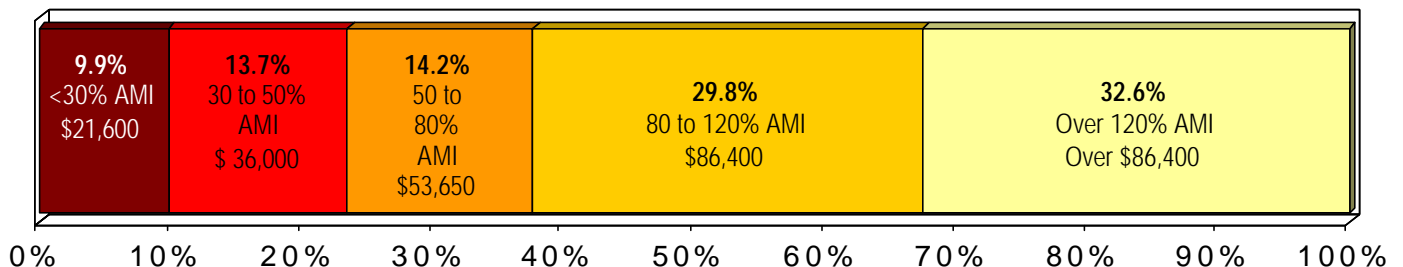
Housing Continuum 2006



Source: 2000 US Census (CHAS); The Housing Collaborative, LLC; RRC Associates, Inc.
*Incomes are presented for a 3-person household in Avon.

The following chart demonstrates the distribution of Avon households by AMI range. The largest percentage of households in Avon earn over 120 percent of the AMI and would be likely candidates for step-up and move-up housing (32.6 percent, income over \$86,400) with 29.8 percent earning between 80 and 120 percent AMI (max income \$86,400) and 14.2 percent in the 50 to 80 percent AMI category (max income \$53,650). About 13.7 percent earn between 50 and 80 percent AMI (max income \$36,000) with an additional 9.9 percent earning less than 30 percent AMI (maximum income of \$21,600).

Percent of Avon Households by AMI Range: 2006



Source: 2000 US Census (CHAS); RRC Associates, Inc.

The following table calculates the maximum affordable purchase price and the maximum affordable rent by AMI range for Avon households.

- There are very few owner households making less than 80 percent AMI (16.7 percent) in Avon. Households in this range are more likely to rent than to own. A larger percent of owners (31.8 percent) are in the first time homebuyer and entry level housing market (80 to 120 percent AMI). The maximum affordable purchase price for these households is \$227,823 (100 percent AMI) and \$273,388 (120 percent AMI). The largest percentage of owner households in Avon (51.4 percent) make over 120 percent of the AMI. These households can afford to purchase units over \$273,388.

- The largest percentage of renter households (44.1 percent) make 60 percent or less of the AMI. These households can afford up to \$900 a month for rent. Households earning between 60 and 80 percent AMI (12.4 percent) can afford up to \$1,341 a month for rent. Households earning between 80 and 100 percent AMI (15.6 percent) can afford up to \$1,800 a month for rent and households between 100 and 120 percent AMI (12.3 percent) can afford up to \$2,160.

Maximum Affordable Purchase Price and Rent by AMI; Avon 2006

AMI Range	Income Range*	% Owner Households	Maximum Affordable Purchase Price**	% Renter Households	Maximum Affordable Rent***
50% AMI or less	\$36,000 or Less	8.3%	\$113,918	37.1%	\$900
50.1-60% AMI	\$36,001-\$43,200	2.8%	\$136,694	7.0%	\$1,080
60.1-80% AMI	\$43,201-\$53,650	5.6%	\$169,760	12.4%	\$1,341
80.1-100% AMI	\$53,651-\$72,000	15.1%	\$227,823	15.6%	\$1,800
100.1-120% AMI	\$72,001-\$86,400	16.8%	\$273,388	12.3%	\$2,160
120.1-140% AMI	\$86,401-\$100,800	7.8%	\$318,952	4.3%	\$2,520
Over 140% AMI	Over \$100,800	43.6%	Over \$318,952	11.3%	Over \$2,520

*Calculated for a 3-person household which is the average household size in Avon.

**Assumes 5% down; 7% 30-year loan; 20% of monthly payment for insurance, taxes, PMI, HOA.

*** Assumes no more than 30 percent of household income is used for rent.

SECTION 3 – EMPLOYMENT AND COMMUTING

This section evaluates job growth, employment, wages paid, seasonality in employment and commuting patterns to understand the quantity and type of employee housing needed to support the local economy.

Number of Jobs

Estimates from the Colorado Department of Local Affairs (DOLA) and the Economic Census Zip Code Business Patterns were used to estimate total jobs in the Town of Avon. Based on the Economic Census in 2004, Avon had about 29.2 percent of all jobs in Eagle County. This shows a slight increase since 2000, when Avon had about 26.1 percent of all Eagle County jobs. Assuming Avon maintains 29.2 percent of Eagle County jobs through 2010, it is estimated that jobs in Avon will increase about 14 percent between 2006 (11,768 jobs) and 2010 (13,463 jobs).

Yearly Average Total Jobs; Eagle County and Avon					
	2000	2005	2006	2010	2015
Eagle County	34,505	39,390	40,358	46,173	52,043
Avon	8,990	11,485	11,768	13,463	15,175
% of Eagle County jobs that are in Avon*	26.1%	29.2%	29.2%	29.2%	29.2%

Source: Colorado Department of Local Affairs (DOLA); US Census Bureau ZIP Code Business Patterns; RRC Associates, Inc.

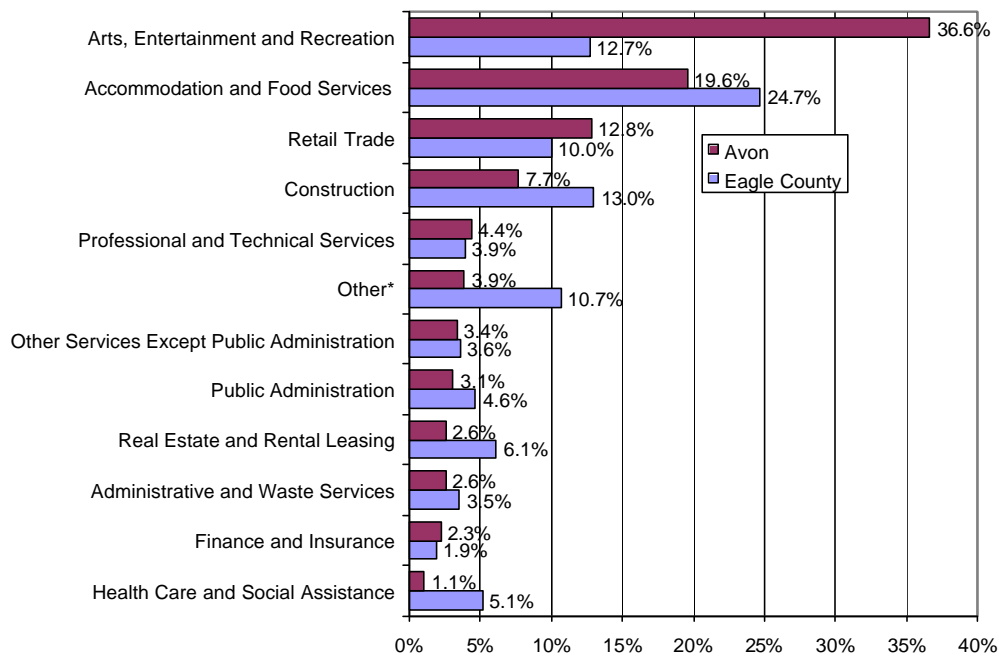
*Percentage of jobs in Avon are estimated from US Census Bureau ZIP Code Business Patterns in 2000 through 2004. Avon had 29.2 percent of the jobs in Eagle County in 2004 – assumed to remain consistent through 2010 in the table.

Jobs by Industry

The Quarterly Census of Employment and Wages (QCEW) reports that the average number of jobs in Eagle County between October 2003 and March 2004 was 27,211, with 8,161 being in Avon. This number is lower than the DOLA estimate because it includes workers covered by unemployment insurance and, therefore, does not generally include self proprietors and many agricultural laborers. However, QCEW provides useful estimates for the types of industries that supply jobs in a region.

Based on this data, the largest percentage of jobs in Avon are in the arts, entertainment and recreation industry (36.6 percent), followed by accommodation and food services (19.5 percent), retail trade (12.8 percent) and construction (7.7 percent) – indicative of the tourism economy in the area. The three lowest categories are health care and social assistance (1.1 percent), finance and insurance (2.3 percent) and administrative and waste services (2.6 percent). Jobs in Eagle County, in comparison, are primarily in accommodation and food services (24.7 percent), construction (13.0 percent), arts, entertainment and recreation (12.7 percent) and retail trade (10.0 percent).

Avon and Eagle County Jobs by Industry: Average 2003 Q4 and 2004 Q1



Source: Quarterly Census of Employment and Wages (QCEW), Colorado Department of Labor

* Industries included in "Other" are: Utilities, manufacturing, whole-sale trade, transportation, information, management of companies, education and health care.

Wages

The following table shows the average yearly wage in Eagle County by industry as reported by QCEW.

- Management of companies and enterprises (0.6 percent of jobs), finance and insurance (1.9 percent of jobs) and professional and technical services (3.9 percent of jobs) pay the highest wages in Eagle County.
- Of the top three industries of employment in the Town of Avon, only arts, entertainment and recreation pays above the county average wage (\$37,711), with accommodation and food services and retail trade both paying well below the county average (\$22,747 and \$30,208, respectively). Of the accommodation and retail employers interviewed, about 70 percent of positions were noted to pay under \$13 per hour (or under about \$27,000 per year).

Eagle County Average Wage by Industry: 2005

	Average Yearly Wage
EAGLE COUNTY OVERALL	\$36,427
Mgt. Of Companies & Enterprises	\$102,423
Finance & Insurance	\$60,181
Professional & Technical Services	\$59,723
Utilities	\$58,095
Wholesale Trade	\$52,587
Health Care & Social Assistance	\$50,147
Mining	\$42,662
Construction	\$42,411
Real Estate	\$41,940
Manufacturing	\$41,698
Information	\$41,476
Arts, Entertainment and Recreation	\$37,711
Educational Services	\$31,470
Transportation & Warehousing	\$30,611
Retail Trade	\$30,208
Agriculture, Forestry, Fishing, Hunting	\$28,766
Other Services	\$28,546
Administrative & Waste Services	\$28,401
Accommodation & Food Services	\$22,747

Source: Quarterly Census of Employment and Wages (QCEW), Colorado Department of Labor and Employment; Sorted in descending order of average wage paid in Eagle County.

QCEW wage estimates show that, in 2001, Avon workers earned slightly less than those in the county as a whole. However, average wages in Avon during the fourth quarter of 2003 and first quarter of 2004 were about 8 percent higher than the county average (\$39,086 vs. \$36,075, respectively). Wages per worker increased about 15 percent between 2001 and 2005 in Eagle County, averaging about \$36,427 in 2005.

Average Annual Wage per Worker; Eagle County

	2001	2002	2003 Q4 and 2004 Q1	2005	% Change (2001-2005)
Eagle County	\$31,583	\$32,102	\$36,075	\$36,427	15.4%
Avon	\$27,698	-	\$39,086	-	

Source: Quarterly Census of Employment and Wages; RRC Associates, Inc.

Employees per Household and Jobs per Employee

Employees often live together in family and unrelated roommate households, meaning that there is often more than one employee per residence. The number of employees per household was estimated from the 2000 US Census by dividing the number of households reporting earnings in Avon by the number of employed persons that are in households. This information is necessary when translating the number of employees into the number of households needed to house the workforce. Avon, as of the 2000 Census, had 1.85 workers per household. Additionally, according to DOLA, each employee in Eagle County holds about 1.2 jobs on average in 2006.

Average Employees per Household: 2000

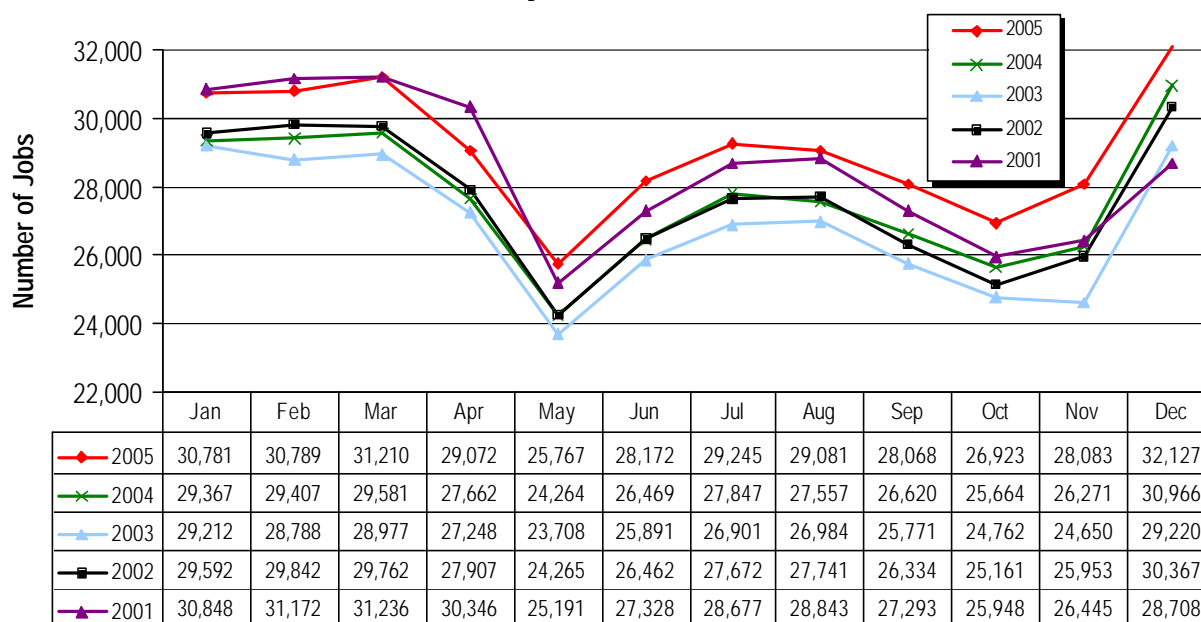
	Avon
Employed persons	3,415
Employed Persons in Group Quarters	127
Employed Persons in Households	3,288
Households with Earnings	1,774
Employed Workers Per "Economically Active Household"	1.85

Source: US Census; RRC Associates, Inc.

Seasonality of Employment

The following graph compares employment by month from 2001 through 2005. As shown in the graph, there is a seasonal fluctuation of employment by month in Eagle County. The winter months have historically been the peak employment months in Eagle County. The lowest (or base) employment months occur in May and October of each year, with the number of jobs over the past five seasons increasing an average of about 19 percent during the peak employment months of December through March.

Eagle County, Employment by Month
January, 2001 to December 2005



Source: Quarterly Census of Employment and Wages (QCEW)

The estimated Winter seasonal jobs for Eagle County in 2005 are 4,592. This has fluctuated over the past five seasons, showing an overall decrease of about 900 seasonal jobs between 2001 and 2005. The decrease is related to both an increase in estimated year-round employment and fewer jobs over the winter months. An analysis of QCEW data for the fourth quarter of 2003 and the first quarter of 2004 for Avon shows the average seasonal number of jobs at 3,118, including Vail Resorts employment.⁵

⁵ Vail Resorts moved some of their offices to Avon from Vail within the past 3 to 4 years. It is expected that most of the employees hired for the winter season through these offices actually work in the Town of Vail.

Eagle County Estimated Winter Seasonal Employment: 2001 to 2005

Year	Average Year-Round Employment (May and Oct.)	Average Winter Employment (Dec. through Mar.)	Estimated Winter Seasonal Jobs
2005	26,345	30,937	4,592
2004	24,964	29,394	4,430
2003	24,235	29,336	5,101
2002	24,713	29,476	4,763
2001	25,570	31,085	5,516

Source: Colorado Department of Labor and Employment (QCEW); RRC Associates, Inc.

Commuting Patterns

The US Census provides place to place worker flows, estimating where workers live and where residents work by place of residence and employment. This information is useful in understanding employee and resident commute and living patterns.

Where Workers Live: According to the 2000 US Census, about 88 percent of persons employed in Avon live in Eagle County. This includes 29 percent that live in Avon, 19 percent in Edwards, 11 percent in Eagle-Vail, and 6.5 percent in Vail. In total, about 71 percent of persons employed in Avon come from an outside community (in-commuters), or about 3,076 workers in 2000. About 12 percent report living outside of Eagle County (506 employees in 2000), including about 2.8 percent of workers living in Garfield County. Employer interviews indicate that the percentage of workers coming from Garfield County has decreased since the 2000 Census, with significant changes noted within the past six months.

Where Avon Residents Work: About 96 percent of employed residents of Avon work in Eagle County, with 40 percent working in Avon, 24 percent in Vail, 7.3 percent in Edwards and 5 percent in Eagle-Vail. In total, 60 percent of workers living in Avon do not work in Avon (about 2,055 residents in 2000). About 3 percent report working outside of Eagle County (about 130 residents in 2000), including about 0.6 percent in Garfield County.

Where Avon Workers Live: 2000

Place of Residence	#	%
Avon	1,240	28.6%
Edwards	800	18.5%
Eagle-Vail	465	10.7%
Vail	260	6.5%
Gypsum	260	6.0%
Eagle	185	4.3%
El Jebel	20	0.5%
Other Eagle County	580	13.4%
Lake County	137	3.2%
Garfield County	120	2.8%
Summit County	19	0.4%
Other Colorado	230	5.3%
Total	4,336	100.0%

Where Avon Residents Work: 2000

Place of Work	#	%
Avon	1,240	37.6%
Vail	775	23.5%
Edwards	240	7.3%
Eagle-Vail	155	4.7%
Eagle	105	3.2%
Gypsum	70	2.1%
Basalt	45	1.4%
El Jebel	25	0.8%
Other Eagle County	510	15.5%
Summit County	40	1.2%
Garfield County	20	0.6%
Other Colorado	70	2.1%
Total**	3,295	100.0%

Source: 2000 US Census

Employer Interviews

Several employers were interviewed to understand more about how the availability of housing in the Town of Avon (both ownership and rentals) is affecting the ability of local employers to attract and retain employees. Interviews were conducted with about seven different employers, covering a range of businesses in Town and included a couple large local retail employers, the Town of Avon, the school district regarding employees in the Town of Avon, a local lodging business, a restaurant in Avon and Beaver Creek and Vail Resorts lodging.

- The percentage of employees living in the Town of Avon varied from 75 percent to 31 percent, depending on the business. It was expected that the majority of Town of Avon residents rented rather than owned their units. Most of the seasonal workers in Beaver Creek were noted to reside in affordable rentals in the area (the Tarnes, Rivers Edge, Timber Ridge) with year-round employees living throughout Gypsum to East Vail area.
- The majority of non-resident employees generally live west of Avon, with between 13 and 20 percent estimated to be living outside of Eagle County (primarily Lake County and Garfield County). It was noted that within the past six months, in-commuting workers from Garfield County have notably declined, meaning that the Garfield County labor force is less available to local businesses for filling positions.
- Employers noted that there is presently a very low unemployment rate in Eagle County, making it difficult to find and retain new employees. One retail employer indicated that “wage competition” among the retail industry results in local businesses exchanging employees rather than necessarily attracting new ones – meaning that they constantly have several positions that remain unfilled year-round. Similar sentiment was expressed by other employers through competition for service workers with the construction industry in particular, which can pay higher wages.
- Annual turnover in employees last year saw significant variation among the different employers, with between 10 to 15 percent turnover at the Town, 47 to 51 percent among the elementary schools in town and 125 percent at one retail establishment last year, with between 60 and 75 percent experienced so far this year at both retail establishments. One retail employer loses about 15 to 20 percent of their workers at the end of each ski season, not because they hire for seasonal jobs, but because people leave in April when the ski season ends. The local lodging company noted a 25 percent turnover this year, mostly in entry-level positions.
- The restaurant in Avon was the only local business that noted the number of jobs available increase in the winter months (seasonal employment). They indicated they can usually find employees to fill their jobs when they come available and housing does not seem to impede their ability to find workers. It was noted that a lot of their staff reside in Buffalo Ridge, many with unrelated roommates.
- It was noted that recruiting new employees during the months of November through April was largely not possible, unless the hiree already had housing in the area. Rentals are full at this time of year and the vast majority of new recruits cannot afford to purchase in the area. It was noted that housing is always a major issue during the 3 to 4 weeks of the winter holidays and finding an acceptable balance is a challenge.
- When asked about priorities that employers see in the area for housing in terms of recruiting and retaining employees, the full spectrum of locally affordable housing options were mentioned, including:
 - Rentals for new hirees/recruits from outside the area. Vacancies are extremely low during the winter months and there is high competition for affordable rentals in the county. One exception was the school district, which noted that their new hires can usually find rentals; although more rentals for new single

teachers would help. Retailers, restaurant and lodging businesses also noted a need for units that could accommodate non-related roommates.

- First-time homeownership opportunities to keep employees. It was noted that Miller Ranch was a successful and much needed project. A couple employers offered examples of new hires (one an engineer and one a co-manager) that owned homes in their previous communities and, upon moving to Avon, had difficulty locating housing to rent. Despite earning in excess of \$60,000 per year, neither can find homes to purchase that they can afford. This was also noted by the school district to be a problem in retaining employees over time and they indicated that about 75 percent of their turnover last year was due to employees moving out of the valley to purchase homes. They find that they can attract young teachers out of college given the “glamorous” location, but when they decide to start a family, they often move out of the valley to afford a home.

Along similar lines, more expensive, move-up housing affordable for higher paid positions, new recruits that owned homes in their previous communities so have some equity to apply toward a home and growing families (e.g., need more than a 600 square foot condominium) are also needed to retain employees. Realtor interviews and current listings for sale on the MLS indicate a large shortage of homes priced under \$500,000 in the Town of Avon that would meet the needs of these households.

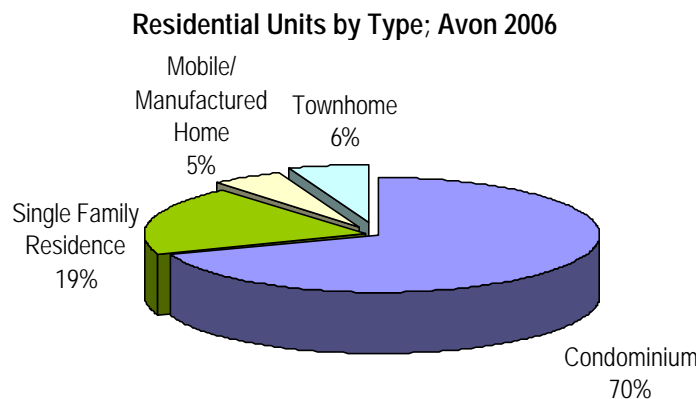
SECTION 4 – HOUSING INVENTORY

It is important to understand the availability of units in Avon to residents and workers in determining the housing needs in the community. This section analyzes data from the County Assessor (September 2006) property records to evaluate current ownership housing inventory and conditions. This section also discusses the type of rental housing available in Avon, market rate rents, vacancy rates and income and employee restricted housing as determined from the Division of Housing and local property manager interviews.

Ownership Units

Type of Units

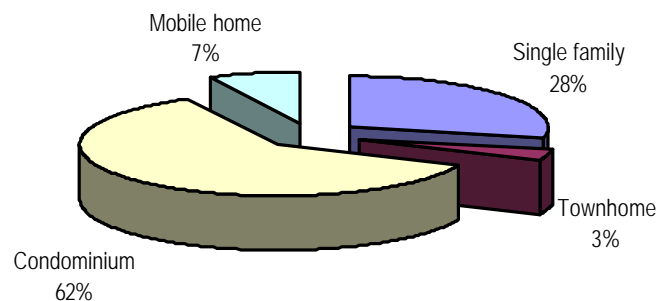
Based on the County Assessor property records, about 70 percent of units in Avon are condominiums and 19 percent are single family residences. Another 5 percent are classified as manufactured and mobile homes and 6 percent are townhomes.



Source: Eagle County Assessor Data (September 2006); Excludes Apartments

Construction since 2000 shows a slightly different mix of units by type than currently exists in the community. In particular, about 28 percent of units constructed since 2000 were single family homes, whereas only about 19 percent of units in Town are single-family homes. Condominiums and townhomes represent a slightly lower percentage of units constructed since 2000 compared to the existing mix in the community and mobile homes represent a slightly higher percentage (7 percent of units built since 2000 and 5 percent of total units in the Town).

Housing Units Constructed Between 2000 and October 2006: Avon



Source: Eagle County Assessor Data (September 2006)

Age of Units

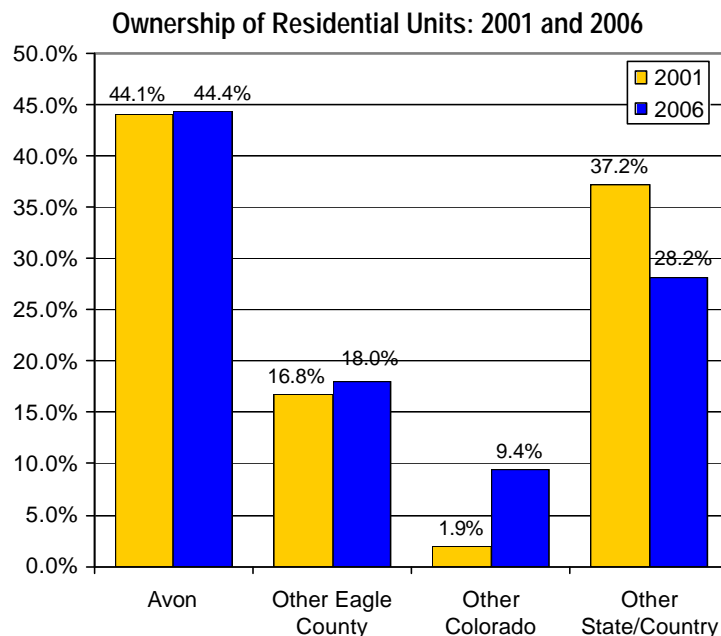
The age of units can be a factor in the suitability of housing for residents. As demonstrated in the table below, the majority of structures (91.5 percent) in Avon were built between 1980 and the present. Only about 7.2 percent of existing units were built prior to 1980 (over 27 years ago).

Year Structures Built in Avon		
Year Built	TOTAL Units	Total %
Before 1970	2	0.1%
1970 to 1979	210	7.1%
1980 to 1989	1,286	43.6%
1990 to 1999	924	31.8%
2000 or later	408	13.8%
Unknown	118	4.0%
Total	2,948	100%

Source: Eagle County Assessor Data (October 2006)

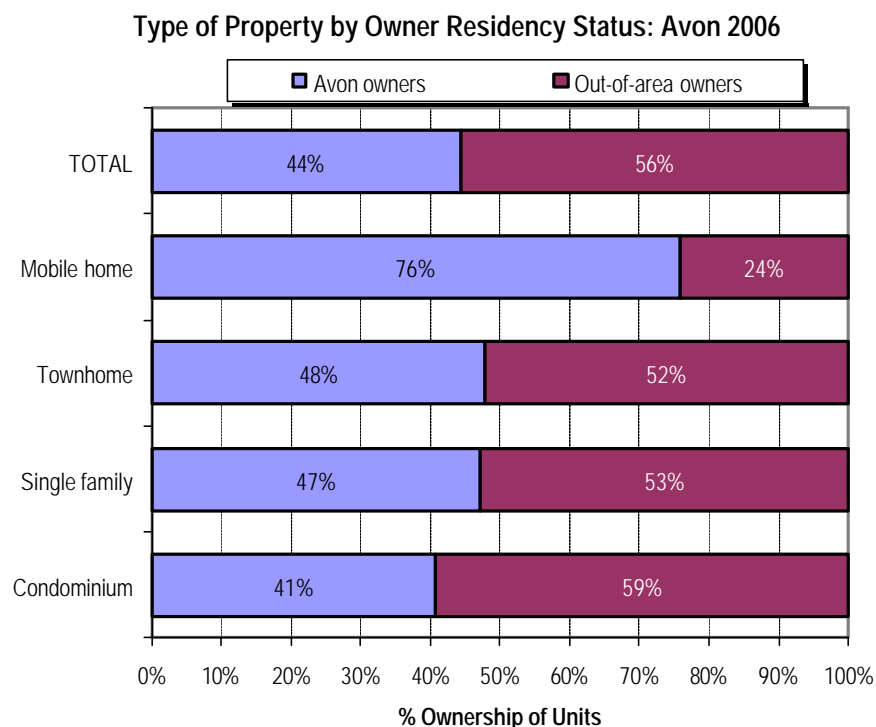
Ownership of Units

The percent of Avon units owned by persons with a local Town of Avon address has remained about the same (44 percent) between 2001 and 2006. During the same time period, owners from other areas of Eagle County increased from 17 percent (2001) to 18 percent (2006) and owners from other areas of Colorado increased significantly, from about 2 percent (2001) to 9 percent (2006). This is consistent with realtor interviews, which indicate there is increasing interest by Front Range residents in purchasing weekend ski units in Avon. Correspondingly, the percentage of owners with addresses in other states or countries decreased, from 37 percent to 28 percent.



Source: Eagle County Assessor Data (2001 and 2006)

As shown on the following chart, ownership of units by locals varies by type of unit. About 76 percent of mobile/manufactured homes are owned by individuals with an Avon address. Over 50 percent of townhomes, single family homes and condominiums are owned by out-of-area owners.



Source: Eagle County Assessor Data (October 2006)

Evaluated another way, about 64 percent of units owned by Avon residents are condominiums, 20 percent are single-family homes and 9 percent are mobile homes. A higher percentage of out-of-area households own condominiums (74 percent) and a slightly lower percentage own single-family homes (18 percent) or mobile homes (2 percent) than resident owners. A similar percentage of units owned by residents and out-of-area owners are townhomes (6 and 5 percent, respectively).

Ownership Residency by Type of Property: Avon 2006

	Avon owners	Out-of-Area owners
Condominium	64.4%	74.4%
Mobile home	9.4%	2.4%
Single family	20.0%	17.8%
Townhome	6.2%	5.4%
TOTAL	100%	100%
TOTAL #	1,235	1,549

Source: Eagle County Assessor Data (October 2006)

Value of Owned Units

Eagle County assessor records report the total actual value of residential units. Based on these figures:

- About 17.4 percent of units in Avon are valued under \$100,000, or about 486 units total (less than 80 percent AMI). However, of the 486 units in this value range, 269 are condominium-lodge properties which are leased as vacation/short-term rentals. Therefore, about 217 would be available and potentially suitable for local resident ownership, with 71 percent of those units (153 total) being mobile homes. Condominiums

in this value range are sized between 220 square feet and 550 square feet with either zero or one-bedroom. Two Mountain Vista employee housing units have two-bedrooms.

- Entry-level ownership homes (80 to 120 percent AMI), between about \$100,000 and \$200,000, comprise about 27.1 percent of units. These include condominiums and some townhomes.
- Move-up housing (over 120 percent AMI) priced between about \$200,000 and \$350,000 comprise about 30.2 percent of existing units in Avon. These are primarily condominiums and townhomes, with a few (about 60) single-family homes. Of the single family residences valued between \$200,000 and \$299,999, only 44 percent are stand alone structures. The median square foot of single family units in this price category ranges from 1,154 square feet to 1,556 square feet, with an average of three bedrooms. All of the units were constructed prior to 1999.
- The remaining 19.3 percent of units are valued over \$350,000. These higher priced units are primarily single-family homes.

Owned Units by Value: Avon 2006

Value	Condominium	Mobile home	Single Family	Townhome	Total %	Total #
Under \$50,000	0.4%	70.6%	0.0%	0.0%	4.1%	116
\$50K to \$99,999	16.6%	29.4%	0.0%	0.0%	13.2%	370
\$100K to \$149,999	11.4%	0.0%	0.0%	10.5%	8.6%	240
\$150K to \$199,999	26.5%	0.0%	0.0%	0.0%	18.5%	519
\$200K to \$249,999	18.9%	0.0%	1.1%	9.3%	14.0%	392
\$250K to \$299,999	12.5%	0.0%	4.0%	13.6%	10.3%	289
\$300K to \$349,999	4.7%	0.0%	6.3%	23.5%	5.9%	164
\$350K to \$399,999	4.2%	0.0%	10.5%	18.5%	6.0%	168
\$400K to \$499,999	3.7%	0.0%	18.9%	17.3%	7.1%	200
\$500K to \$649,999	0.9%	0.0%	23.6%	7.4%	5.5%	154
\$650K to \$799,999	0.1%	0.0%	12.0%	0.0%	2.3%	65
\$800K or more	0.0%	0.0%	23.6%	0.0%	4.4%	124
TOTAL	1,961	153	525	162	2,801	2,801
Median Value	\$171,170	\$42,470	\$545,380	\$341,120	\$218,100	-

Source: Eagle County Assessor Data (2006)

Deed Restricted Housing

The Town of Avon, as of October, 21, 2005, reports a total of 63 deed restricted ownership units in seven different developments, including a total of 17 townhomes and 46 condominiums. The units were constructed between 1991 and 2001. The majority (15 total) of Mountain Vista Condominiums are still owned by The Sheraton and rented to employees of Avon or Eagle County earning 80 percent or less of the AMI with rents not exceeding 33 percent of household income.

Deed-Restricted Ownership Units in Avon: Year Built

	1991	1992	1998	1999	2001	TOTAL units
Wildwood Townhomes North	5	-	-	-	-	5
Wildwood Townhomes South	-	12	-	-	-	12
Lakeside Terrace Condos	-	-	3	-	-	3
Lodge At Brookside Condos	-	-	3	-	-	3
Chapel Square Condos	-	-	-	8	-	8
Grandview Condos	-	-	-	-	12	12
Mountain Vista Condos	-	-	-	-	20	20
TOTAL units	5	12	6	8	32	63

Source: Eagle County Assessor (2006); Town of Avon

About 13 percent of the units are valued under \$50,000, with 16 percent between \$50,000 and \$99,999, 46 percent between \$100,000 and \$149,999 and 25.4 percent between \$150,000 and \$199,999. All units priced under \$100,000 are in Mountain Vista Condominiums.

Deed-Restricted Ownership Units in Avon: Value

Value	Deed-restricted units	
	#	%
Under \$50,000	8	12.7%
\$50, 000 to \$99,999	10	15.9%
\$100, 000 to \$149,999	29	46.0%
\$150, 000 to \$199,999	16	25.4%
Total	63	100%

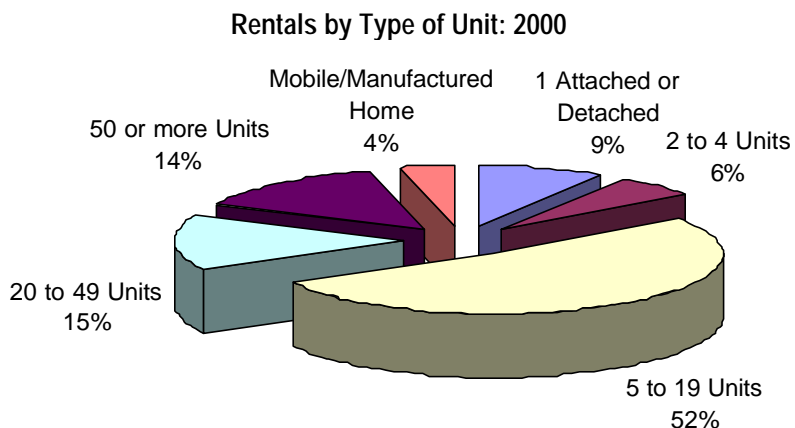
Source: Eagle County Assessor (2006); Town of Avon

Rental Housing

This section discusses the type of rental housing available in Avon, market rate rents, vacancy rates and income and employee restricted housing.

Unit Type

It is estimated that about 53 percent of occupied units in the Town of Avon are occupied by renters (about 1,899 households in 2006). As of the year 2000, about 9 percent of rental units were single-unit attached or detached homes, with 6 percent occupying smaller 2- to 4- unit buildings and the majority (52 percent) in buildings with between 5 to 19 units. A total of 245 condominium units have been constructed since 2000 (10 in 2000, 120 in 2001, 70 in 2002, 45 in 2003) which could change the ratio of rental type units in 2006.



Source: 2000 US Census

Market Rate Rents

Based on survey responses to the "Colorado Division of Housing Multi Family Vacancy and Rental Survey", (Colorado Division of Housing), rents in Eagle County have increased about 7.9 percent over the past five years. Rents during the first quarter (January through March) are lower than third quarter rents (July through September) between 2003 and 2005 and follows the general slowing rental market trend in Colorado at that time.

Average Rent, 2001 to 2006: Eagle County

Quarter	2001	2002	2003	2004	2005	2006	% change (2001 – 2006)
First-quarter	\$1,000.70	\$984.66	\$982.62	\$1,018.35	\$1,051.90	\$1,079.78	7.9%
Third-quarter	\$984.34	\$968.98	\$1,009.64	\$1,033.49	\$1,074.66	-	-

Source: "Colorado Division of Housing Multi-Family Vacancy and Rental Survey," Colorado Division of Housing.

Average rents for multi-family properties vary by size. As of the first quarter of 2006, market-rate rents in Eagle County range from about \$570 (\$1.90 per square foot) for 1-bedroom units to \$1,074 (\$1.43 per square foot) for 2-bedroom/2-bath units.

Average Rent by Unit Type, First Quarter 2006: Eagle County

Apartment Type	Average Rent	Average Rent per Square Foot
Efficiency	\$569.57	\$1.90
1-bedroom	\$855.56	\$1.42
2-bedroom/1-bath	\$1,079.99	\$1.43
2-bedroom/2-bath	\$1,073.94	\$1.26
3-bedroom	\$1,220.18	\$1.24
All Units	\$1,079.78	\$1.42

Source: Colorado Division of Housing "Multi-family Housing Vacancy and Rental Survey"

Information on Avon market rate rentals at Buffalo Ridge II, Eagle Bend I-III, and Kayak Crossing was gathered through interviews. All three apartment complexes offer 12 month leases only. Current market-rate rent for these properties varies from \$870 to \$975 for a 1-bedroom unit, up to \$1,525 for a 3- bedroom unit. Rents per square foot are higher than those in Eagle County as a whole. One bedrooms range from \$1.53 at Eagle Bend, I-III to \$1.64 at Buffalo Ridge II.

Market Rents in Avon (Apartments): 2006

	Buffalo Ridge		Eagle Bend I,II,III		Kayak Crossing	
	<i>Market Rent</i>	<i>Rent per Square Foot</i>	<i>Market Rent</i>	<i>Rent per Square Foot</i>	<i>Market Rent</i>	<i>Rent per Square Foot</i>
Studio	\$625	\$1.70	-	-	-	-
1-bedroom	\$975	\$1.64	\$870 - \$910	\$1.60 - \$1.53	-	-
2-bedroom/1-bath	\$1,225	\$1.37	\$1,140 - \$1,175	\$1.53	\$1,200	\$1.45
2-bedroom/2-bath	-	-	\$1,195 - \$1,255	\$1.36 - \$1.43	-	-
3-bedroom/1 & 2-bath	-	-	\$1,335 - \$1,385	\$1.30 - \$1.32	\$1,525	\$1.41
4-bedroom	-	-	-	-	\$1,930	\$1.52
5-bedroom	-	-	-	-	\$2,290	\$1.61 - \$1.23
Total Units	68		288		54	

Source: Interviews

Vacancy Rates

Vacancy rates provide another measure of the health of the rental market. Typically, vacancy rates around 5 percent suggest some equilibrium in the market, meaning that there is sufficient supply to provide renters with a choice of product. Vacancy rates below this threshold indicate under-supply, whereas rates above this level suggest over-supply of housing. Survey data from the Colorado Division of Housing in Eagle County show vacancy rates increasing in the first quarter from 2001 (0.1 percent) to 2004 (20.4 percent), then decreasing to 1.3 percent in 2006. The high vacancy rates in 2004 coincide with units from Buffalo Ridge and Middle Creek coming on line (in excess of 380 units). The low 5.2 percent vacancy rate during the third quarter of 2005 (October through November) and 1.3 percent vacancy during the first quarter of 2006 (January through March) indicate that these units have been effectively absorbed by the market.

Vacancy Rates, 2001 to 2006: Eagle County

Quarter	2001	2002	2003	2004	2005	2006
First-quarter	0.1%	2.0%	2.0%	20.4%	9.2%	1.3%
Third-quarter	1.1%	1.2%	17.1%	19.9%	5.2%	-

Source: Colorado Division of Housing "Multi-family Housing Vacancy and Rental Survey"

- Presently, Buffalo Ridge, Eagle Bend I-III, and Kayak Crossing report no vacancies. Eagle Bend I-III had one vacancy this summer as a result of a renter breaking his lease. They were able to fill it quickly.

Buffalo Ridge and Eagle Bend I-III provided additional comments on unit occupancy and demand for units.

- Buffalo Ridge has a waiting list with 20 people currently on it, all seeking one and two bedroom units. The complex relies heavily on the construction activity in the area, with most workers renting income restricted units. While there are no current vacancies, vacancies have been experienced during low construction activity years. Overcrowding is not an issue, while renters may try to increase the occupancy of rooms, parking is very limited and management strictly regulates it.
- Eagle Bend I-III operates on a first come-first serve basis and rents mostly to couples and families. They feel they do not have any problems leasing their units. The vacancies that occur are usually from renters breaking their leases unexpectedly, which does not happen very often.

Income and Employee Restricted Rentals

Buffalo Ridge II offers income restricted, section 42, housing. Their section 42 rates vary from \$615 (\$1.67 per square foot) for a 1-bedroom to \$1,025 (\$1.15 per square foot) for a 2-bedroom/1-bath unit. River View Apartments has a total of 72 income restricted units, ranging from \$1.42 to \$1.48 per square foot. These units have a waiting list for occupancy, from six months to two years. City Market has 18 employee-restricted one-bedroom units for \$725 per month.

Income and Employee Restricted Rentals: Avon					
	Buffalo Ridge Apartments		River View Apartments		City Market
	<i>Rent</i>	<i>Rent per Square Foot</i>	<i>Rent</i>	<i>Rent per Square Foot</i>	<i>Rent</i>
Studio	\$615	\$1.67	-	-	
1-bedroom	\$875	\$1.47	-	-	\$725
2-bedroom	\$1,025	\$1.15	\$1,190	\$1.48	-
3-bedroom	-	-	\$1,390	\$1.42	-
TOTAL units	176		72		18

In addition to the above, the Town of Avon also noted that they have 13 rooms available to bus drivers, at a cost of about \$450 to \$550 per month per person. Rooms are in three-bedroom configurations with a total rent of \$1,150 to \$1,350 per unit.

Pending Income and Employee Restricted Units

Currently, Avon has a total of 63 deed-restricted ownership units (15 of which are presently rented to employees) and 266 income- and employee-restricted rental units. Future additions to the program include the potential for 256 more units at The Village at Avon, 8 units at Lot B, 9 units on Lot 61 and the potential for another couple dozen units as both commercial and residential projects are redeveloped in the core areas of Town.

SECTION 5 – HOUSING SALES

This section identifies trends in sales of homes by type of unit, price and ownership. Information from the Eagle County Assessor database and the multiple listing service (MLS), along with realtor interviews, are examining to identify sales trends over time and units currently available to buyers.

Residential Sales by Year

The following table shows sales between 2000 and September, 2006, by type of units sold. The sales for 2005/2006 represent sales between Sept-20-05 and Sept-19-06 (herewith known as 2005/2006 Sales). An average of about 68 percent of sales during this time period were condominiums, with another 18 percent being single family homes. On average, condo sales have been increasing, with a high of 74 percent of all sales in 2005. The percent of townhome sales by year varies between 3.6 percent in 2001 and 13 percent over the last year. The average percent of sales for mobile/manufactured homes is 6 percent with a yearly individual decrease from 8.1 percent of all sales in 2001 to 1.4 percent in September, 2006.

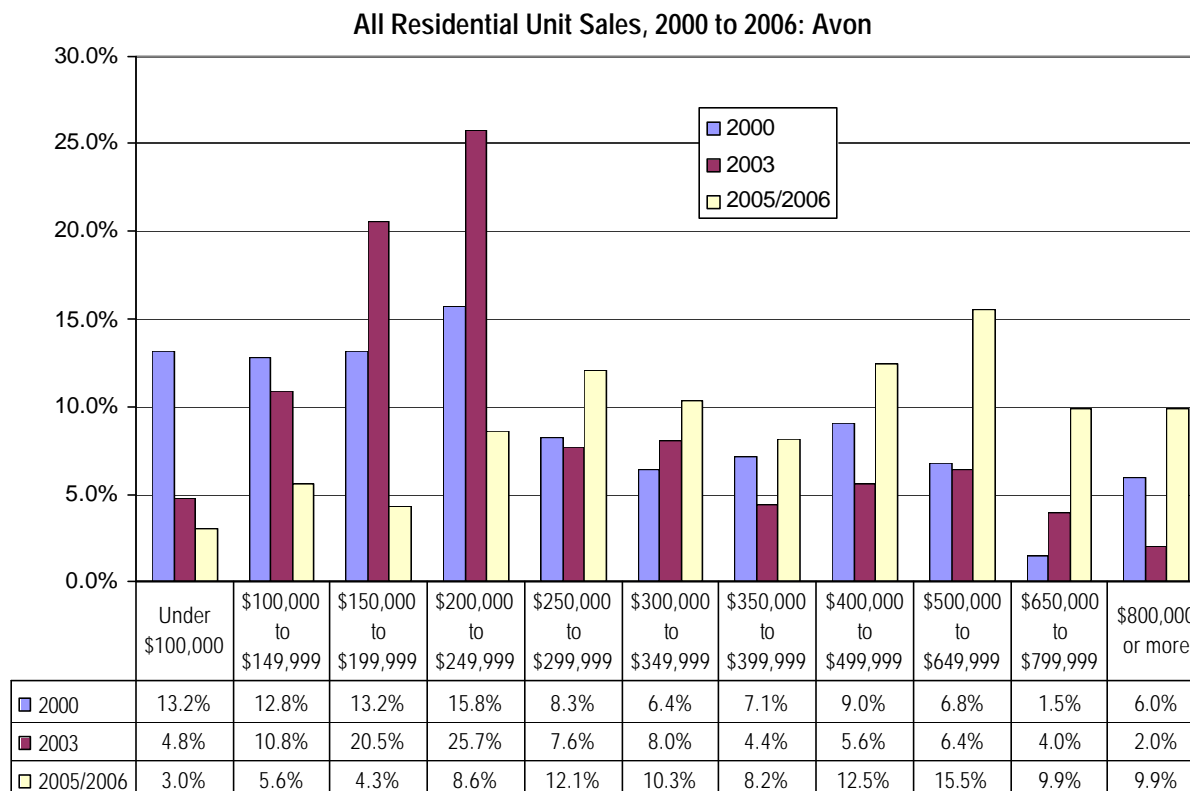
Sales by Year: 2000 to September 19, 2006							
	2000	2001	2002	2003	2004	2005	2005/2006
Mobile/Manufactured Homes	8.3%	8.1%	11.3%	1.6%	3.4%	2.8%	2.6%
Condo	61.7%	70.6%	59.7%	71.5%	72.3%	74.4%	63.5%
Single Family	20.7%	17.6%	21.6%	18.5%	15.1%	14.5%	21.0%
Townhome	9.4%	3.6%	7.4%	8.4%	9.2%	8.3%	12.9%
Total %	100%	100%	100%	100%	100%	100%	100%
Total Sales	266	221	231	249	325	289	231

Source: Eagle County Assessor Data (October 2006); RRC Associates

Residential Sale Prices

The following chart shows the general trend of increasing sales prices in Avon over the past 5 years. Overall:

- The percentage of sales priced below \$150,000 declined from about 26 percent of sales in 2000 to 8.6 percent of sales over the last year. The percent of sales above \$400,000 increased from 23.3 percent in 2000 to 47.8 percent last year (9/20/05 to 9/19/06).
- In 2003, there were a relatively high percentage of sales (21 percent to 26 percent) between \$150,000 and \$250,000. New construction in the Barranacas Condos and the Grandview Condos (deed-restricted units) in 2003 accounted for 80 percent (24 units) of the sales in this price range.
- The percent of sales between \$300,000 and \$400,000 increased slightly between 2003 (13.5 percent) and 2005/2006 (18.5 percent).



Source: Eagle County Assessor Data (October 2006)

The following chart shows the median sales price for all units over the last five years. Based on these figures:

- The median sale price of market-priced homes in Avon (including sales of single-family homes, townhomes, condominiums, mobile/manufactured homes and other multi-family homes) increased by 64 percent between 2000 (\$237,000 median) and 2005/2006 (\$389,500). This includes a 48 percent increase in condominium median sale prices, a 66 percent increase in single-family home sale prices and a 72 percent increase in townhome sale prices.
- The median sales price of townhomes spiked in 2001, from \$300,000 to \$405,000. A total of eight sales were recorded for townhomes during this time. Three of the sales were from the newly constructed "View Townhomes", which were constructed in 2001. The average sales price of the three units was between \$400,000 to \$499,999.
- The median price of single family home sales increased by 40 percent between 2001 and 2002. Of the sales in 2002, 38 percent were priced over \$650,000 (19 sales). These sales were located in Wildridge, Mountain Star, Eagle Bend and Beaver Creek point subdivisions. New units, or first time sales, comprised 32 percent of the sales over \$650,000.
- The median price of single family home sales also spiked between 2004 and 2005, increasing by 47 percent. In 2005, 56 percent of single family home sales were priced over \$650,000, and 43 percent of those sales were in the Wildridge and Mountain Star Subdivisions.
- The median sale price of mobile/manufactured homes decreased by 62 percent between 2000 and 2005/06. However, it is important to note that there are very few mobile homes sales in each year (about 22 in 2000

declining to only 6 last year). The variation in mobile home prices may be due more to sample size than actual changes in value. There has been very little sales turnover of mobile homes since 2003 (between 4 and 11 sales per year).



Source: Eagle County Assessor Data (October 2006)

The table below represents 2005/2006 sales in Avon by price of unit. This shows pricing trends similar to those noted in the evaluation of existing housing values of all units in Avon, where:

- Very few single-family homes are priced below \$500,000 (only 3 sales over the past year);
- The selection of homes priced below \$500,000 are largely limited to condominiums. The four townhomes that sold for between \$100,000 and \$149,999 were deed-restricted units in Wildwood Townhomes South; and
- About 6 mobile homes were sold last year; all priced under \$100,000.

Avon 2005/06 Property Sales by Purchase Price

	Condo	Single-family	Townhome	Mobile home	TOTAL
Under \$100K	1	-	-	6	7
\$100K to \$149,999	9	-	4	-	13
\$150K to \$199,999	10	-	-	-	10
\$200K to \$249,999	19	1	-	-	20
\$250K to \$299,999	28	-	-	-	28
\$300K to \$349,999	22	-	2	-	24
\$350K to \$399,999	19	-	-	-	19
\$400K to \$499,999	20	2	7	-	29
\$500K to \$649,999	12	12	12	-	36
\$650K to \$799,999	6	12	5	-	23
\$800K or more	1	22	-	-	23
Total	147	49	30	6	210

Source: Eagle County Assessor Data (October 2006)

The median sale price per square foot offers more insight on actual increases in housing prices. The median sale price per square foot of all residences increased by about 74 percent in 2005/2006. Individually, the median per square foot sale price of condos increased the most, 85.4 percent, with single family homes increasing by 62.3 percent and townhomes increasing by 43.0 percent.

Median Sales Price per Square Foot: Avon 2000 to September 19, 2006

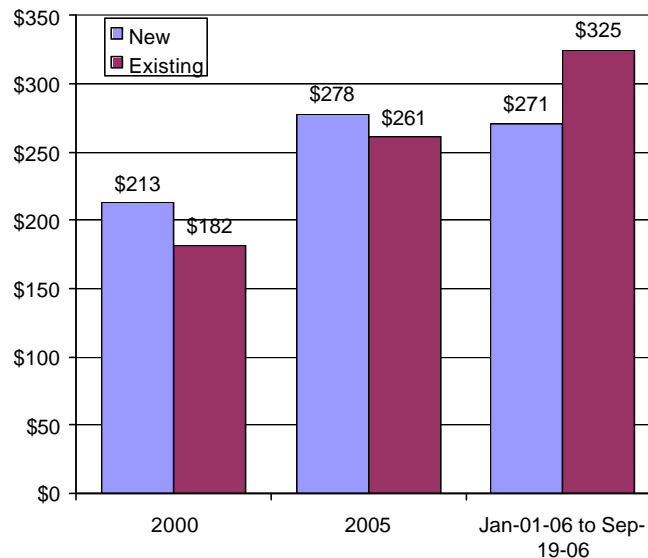
	2000	2001	2002	2003	2004	2005	2005/2006	% Change
Single Family	\$178	\$177	\$185	\$190	\$211	\$259	\$290	62.7%
Townhome	\$193	\$169	\$190	\$200	\$202	\$236	\$275	43.0%
Condo	\$193	\$191	\$202	\$206	\$209	\$272	\$358	85.4%
Median of All Units	\$182	\$185	\$191	\$203	\$208	\$266	\$318	74.4%

Source: Eagle County Assessor Data (October 2006); RRC Associates, Inc.

New and Existing Sales

New unit sales are defined as housing units sold within one year of their construction. The price per square foot of sales for new construction varies from that of previously owned units. In 2000, the price per square foot for new units (\$213 median) was 17 percent higher than for existing units (\$182 median). This pattern continued to 2005 with the price per square foot of new units (\$278 median) being higher than existing units (\$261 median). Through the third quarter of 2006 this pattern changed with existing units (\$325 median) costing more per square foot than new units (\$271 median). The new sales recorded in 2006 (6 percent of total 2006 sales) consist of 5 townhomes and 4 single family homes, ranging in price from \$200,000 to over \$800,000.

Median Price per Square Foot Sales of New and Existing Units: Avon Sales in 2000, 2005 and Jan-01-06 to Sep-19-06



Source: Eagle County Assessor Data (October 2006)

An average of 25 percent of new unit sales between 2000 and 2006 were to Avon residents, where about 75 percent were to out of area owners. Distribution of existing sales is slightly more even, with 42 percent of existing sales being to new residents and 58 percent to out of area owners. The distribution of new and existing sales to Avon residents has remained fairly equal between 2000 and 2006.

New and Existing Sales by Residency: Avon 2000, 2005 and 2006

	Average Sales 2000 to 2006	
	New	Existing
Avon	25%	42%
Out of Area	75%	58%
Total	100%	100%

Source: Eagle County Assessor (2006)

Sale Prices and Local Incomes

As shown below, median family incomes (as defined by the Department of Housing and Urban Development for Eagle County) increased about 17.5 percent between 2000 and 2006, compared to a much higher 81.4 percent increase in median sales prices in Avon. The median price of homes in 2000 was about 348 percent higher than the median family income and this has increased to a 538 percent difference in 2006. A household earning \$80,000 in 2006 could generally afford a home priced at about \$253,137⁶, or 316 percent more than the income. Incomes in Eagle County are not keeping pace with rising home prices in Avon.

⁶ Affordable purchase price for an average sized 3-person household. Assumes 30-year, 7 percent loan with 5 percent down, no more than 30 percent of household income paid toward housing payments and 20 percent of the housing payment goes toward HOA, insurance and PMI.

Median Price of Homes vs. Median Family Income: 2001 to September 2006

Year of Sale	Median Price (all sales)	Median Family Income* (HUD - Eagle County)	Median price as a % of median income
2000	\$237,000	\$68,100	348%
2001	\$205,000	\$70,500	291%
2002	\$216,500	\$74,900	289%
2003	\$223,500	\$73,600	304%
2004	\$230,000	\$76,700	300%
2005	\$315,900	\$79,950	395%
2006 to 9/19/06	\$430,000	\$80,000	538%
% increase (2000 to 2006)	81.4%	17.5%	-

Source: Eagle County Assessor records; Department of Housing and Urban Development; RRC Associates, Inc.

*Median Income reflects the 100% area median income (AMI) for a 4-person family household in Eagle County, or what is commonly referred to as the median family income for an area.

Sales to Locals

The following table indicates that the percentage of total units being purchased by local Avon owners has varied slightly between 2003 and 2006. This shows a decline in local purchasers of homes in 2005/06 compared to 2003.

Percent of Sales to Avon Purchasers: 2003, 2005, 2006 (through September)

	Total Sales	% Purchased by Avon Owners
Sept-2005 to Sept-2006	146	39.7%
2005	290	37.0%
2003	249	44.2%

Source: Eagle County Assessor Records; RRC Associates, Inc.

The table below shows sales in Avon over the last year by AMI range.

- Of the units sold in 2005/2006 that are priced affordable to households earning 80 percent or less of the AMI (below about \$169,760), 46 percent were sold to local Avon residents.
- About 30 percent of Avon residents are in the first time homebuyer/entry level market housing range (80 to 120 percent AMI). These residents can afford to purchase a housing unit priced between about \$169,761 and \$227,823⁷. In 2005/2006, 97 percent of the units sold in this price range were condominiums. There is high competition for these units with Avon residents only purchasing 42 percent of available units. This corresponds with realtor interviews, which indicate there is increasing competition for first time homebuyers from Front Range second home purchasers.
- Of units sold in price ranges affordable to households earning between 120 and 140 percent of the AMI (generally the move-up housing range), about 40 percent were sold to persons with a Town of Avon address. These are units priced between about \$274,000 and \$320,000.

⁷ Affordable purchase price for an average 3-person household in Avon. Assumes 30-year, 7 percent loan with 5 percent down, no more than 30 percent of household income paid toward housing payments and 20 percent of the housing payment goes toward HOA, insurance and PMI.

- Of units priced over \$318,952, which is the higher-end ownership market, 37.8 percent were sold to local Avon residents.

Sales 2005/2006 to Locals by Affordability Levels

	Affordable Purchase Price*	Condo	Mobile home	Single- family	Townhome	% Avon
Less than 50% AMI	\$113,918	1	6	0	0	71.4%
50 to 60% AMI	\$136,694	7	0	0	4	27.3%
60 to 80% AMI	\$169,760	8	0	0	0	50.0%
80 to 100% AMI	\$227,823	14	0	1	0	46.7%
100 to 120% AMI	\$273,388	23	0	0	0	39.1%
120 to 140% AMI	\$318,952	25	0	0	0	40.0%
Over 140% AMI	Over \$318,952	69	0	48	26	37.8%
Total	-	147	49	30	6	39.7%

*Calculated for a 3-person household; assumes 5% down; 7% 30-year loan; 20% of monthly payment for insurance, taxes, PMI, HOA and no more than 30% of monthly income is used for the total housing payment.

Multiple Listing Service

The multiple listing service, as of October 13, 2006, lists 964 units for sale in Eagle County, with 129 units being located in the Town of Avon. The median sales price for units in Eagle County as a whole is \$1,195,000, with the median sales price in Avon being \$859,000.

Of the units listed for sale in Avon, 68 percent are condominiums. The median sale price of available condominiums in Avon (\$677,000) is significantly higher than the median sales price of units sold in 2005/2006 (\$310,000). The higher median price can be partly attributed to new construction (40 percent of currently listed units). The median asking price of the new units is \$1,437,500, while the median asking price of the units constructed prior to 2006 is \$439,000.

The median listing price of single family homes (\$1,450,000) is also significantly higher than units sold in 2005/2006 (\$779,000). This is partly due to units constructed between 2005 and 2007 (4 of 17 units listed), with a median listing price of \$2,788,500.

MLS Listings, October 13, 2006: Avon

Property Type	Median	Maximum	Minimum	Total Number	Percent of Units
TOTAL	\$859,000	\$4,475,000	\$215,000	129	100.0%
Condominium	\$677,000	\$2,415,000	\$215,000	88	68.2%
Single Family	\$1,450,000	\$4,475,000	\$795,000	17	13.2%
Townhome/ Duplex	\$859,000	\$1,532,000	\$499,000	24	18.6%

Source: MLS listings on-line (October 13, 2006); RRC Associates, Inc.

Affordability by AMI

The following table estimates the number of units that are presently for sale in Avon and the number of units sold in Avon in 2005/2006 that would be affordable to the average 3-person household by AMI range. This shows that about 78 percent of current listings and 57 percent of 2005/2006 sales are affordable to households earning over 140

percent of the AMI (or priced over about \$320,000). There are no units currently listed that would be affordable to a 3-person household making less than 80 percent of the AMI (37 percent of current households). Only 11 percent of the units sold in 2005/2006 were listed in that income range (6 mobile/manufactured homes, 16 condominiums and 4 townhomes).

Affordable Purchase Price By AMI*: 2006

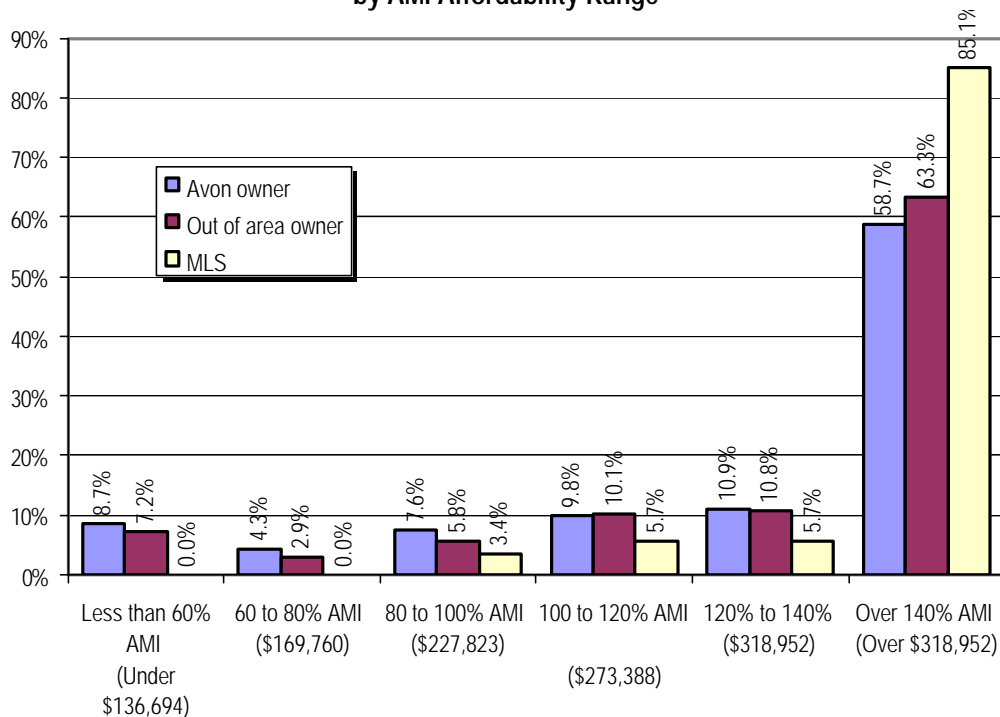
AMI Range	Maximum Affordable Purchase Price	Maximum Income (3-person HH)	% Current Listings (MLS)	# Current Listings (MLS)	2005/06 % Sales (Assessor)	2005/06 # Sales (Assessor)
60% AMI or below	\$136,694	\$43,200	0.0%	0	7.8%	18
61 to 80% AMI	\$169,760	\$53,650	0.0%	0	3.4%	8
81 to 100% AMI	\$227,823	\$72,000	3.5%	3	6.5%	15
101 to 120% AMI	\$273,388	\$86,400	5.7%	5	9.9%	23
121 to 140% AMI	\$318,952	\$100,800	5.7%	5	10.8%	25
Over 140% AMI	Over \$318,952	Over \$100,800	85.1%	74	61.6%	143

Source: Department of Housing and Urban Development; Eagle County Assessor (September 2006); RRC Associates, Inc.

*Assumes 5% down; 7% 30-year loan; 20% of monthly payment for insurance, taxes, PMI, HOA; no more than 30% of income used for total housing payment.

Comparing sales last year (9/20/05 to 9/19/06) by residency of owner to current MLS listings (10/13/2006) shows that the distribution of units sold to owners with an Avon address are very similar to sales to owners with an out-of-area address (other Eagle County, other Colorado or other state). In other words, competition across all price ranges among locals and out-of-area owners appears to be prevalent. Sales over the past year show a much higher percentage of units priced under about \$320,000 (38 percent) than currently available on the market (15 percent).

**Avon Sales by Residency of Purchaser (2005/2006) vs. MLS (10/13/2006)
by AMI Affordability Range**



Source: Eagle County Assessor (2006); Department of Housing and Urban Development; RRC Associates, Inc.

*Dollar figures in the legend represent the highest affordable purchase price for homes within each AMI range.

Realtor Interviews

Several local realtors were interviewed to better understand trends and needs in the local real estate market. In general, it was stated that the largest factor affecting Avon's real estate market right now is the construction of the 8-passenger high speed Gondola, connecting Avon to Beaver Creek resort.

- Realtors generally felt that the availability of housing in Avon is not currently meeting the needs of residents and local workers, with statements to the effect that there is not enough housing in Avon to serve first-time homebuyers or any price point for that matter. A few felt that competition for affordable units, generally between \$300,000 and \$400,000, is very high and that many locals looking to purchase cannot find a unit in this price range. A couple noted that affordability is becoming even more of an issue since the new Gondola was planned, with prices noted to have increased \$100,000 across the board since the project began. There is a lot of speculation, especially on the West side of town. One realtor noted that rent has also increased as a result in the increased interest from second homebuyers, and there is a need for short term seasonal housing in Avon.
- Second homeowners were noted to be mostly families, searching for larger, higher end homes and condos with easy access to the town center and the new Gondola. More expensive homes, which do not have easy access to town, sit on the market longer and usually take a price reduction. While second homeowners are primarily concerned with location, views and access, locals tend to purchase within their price range, without a strong preference for one type of home over another.
- When asked whether realtors noted any gaps in the market, a couple noted that homes in all price ranges were sought after and difficult to find, especially those priced under \$1,000,000. Specifically, all of the realtors noted that units priced under \$500,000 are in high demand. One reason noted for this is the increase in Front Range residents purchasing units for weekend and holiday use. This group purchases units in a more affordable price range, which creates competition for local residents. Most workers seek housing in Gypsum and Eagle as a result of second homeowner demand and competition.

SECTION 6 - HOUSING NEED

This section estimates housing units needed by residents, in-commuters to the town and new workers filling future jobs across different AMI ranges (based on 10-year employment projections). A discussion of seasonal worker housing needs is also provided. This section provides estimates of housing needs for multiple segments of the population and workforce to understand how many housing units and at what price points future housing should be provided to meet local needs. Need is identified through catch-up needs (the number of housing units needed to address current deficiencies in housing – includes needs of residents and current in-commuters) and keep-up needs (the number of units needed to keep up with future demand for housing – based on future employment growth). Section 7 discusses the “gaps” in housing and compares total needs to units provided by the market to better understand where housing programs may need to be focused to meet resident and local worker needs.

Avon Residents With “Housing Problems” (Catch-Up)

Catch-up housing is generally defined as the number of housing units needed to address current deficiencies in housing, whether from an affordability standpoint or from an availability standpoint.

The 2000 US Census CHAS (Comprehensive Housing Affordability Strategy) tabulations reports households with housing problems by household area median income (AMI). Housing problems are defined as households that are lacking complete plumbing or kitchen facilities, with 1.01 or more persons per room (i.e. overcrowded) and/or cost burdened (paying more than 30 percent of household income for rent/mortgage). Residents and employees residing in substandard housing, overcrowded conditions or unaffordable units often leave their jobs and the community.

It is important to note that constructing new units to serve Avon residents who are cost burdened causes the units occupied by cost-burdened households to become available to address a catch-up or keep-up need from other residents, in-commuters or new employees. For this reason, existing housing problems can help define gaps in current town housing but do not necessarily reflect a numerical increase in units needed within the community.

Renter Households: About 83.8 percent of renters earning less than 80 percent AMI report housing problems, totaling about 622 households. Those earning less than 60 percent of the AMI are particularly likely to report problems, accounting for 438 households. Another 82.6 percent of the households earning between 60.1 and 80 percent of the AMI also report housing problems, or about 135 households in 2006. Renters earning over 80 percent of the AMI are typically desiring to purchase homes so have not been included in the below table.

Need From Renter Households With “Housing Problems”; Avon 2006			
AMI Range	Renter Households #	With “Housing Problems” %	With “Housing Problems” #
Total Households	1,313	55.3%	726
<=50% AMI	487	84.1%	410
50.1 to 60% AMI	92	30.8%	28
60.1 to 80% AMI	163	82.6%	135
Total <=80% AMI	742	83.8%	622

Source: DOLA; 2000 Census (CHAS); RRC Associates, Inc.

Owner Households: About 48.4 percent of owners earning between 60 and 120 percent AMI reported housing problems, totaling about 258 households. Often owners of households earning higher incomes are cost-burdened by choice so have not been included in the below table (i.e. over 140 percent AMI). It should be further noted that producing ownership units for households earning less than 60 percent AMI (less than \$43,200 for the average 3-person household) in the Avon market is difficult and many owner households in this income range are typically retired and not necessarily in need of assistance.

Need From Owner Households With "Housing Problems"; Avon 2006			
AMI Range	Owner Households #	With "Housing Problems" %	With "Housing Problems" #
Total Households	1,178	35.2%	415
<=60% AMI	131	100.0%	131
60.1 to 80% AMI	66	60.0%	40
80.1 to 100% AMI	178	37.0%	66
100.1 to 120% AMI	197	50.0%	99
120.1 to 140% AMI	92	57.1%	53
Total 60.1 to 140% AMI	533	48.4%	258

Source: DOLA; 2000 Census (CHAS); RRC Associates, Inc.

In-Commuters (Catch-Up)

Demand from in-commuters represents a catch-up housing need. This is estimated by examining the percentage of in-commuters that would prefer to live in Avon over their present community if suitable housing within their price range was available.

Results from the US Census indicate that 71 percent of Avon workers in-commute. Assuming this percentage stays the same, in 2006 there were about 6,962 workers commuting into the Town for employment. For purposes of estimating the percentage of in-commuters that would move to Avon if affordable and suitable housing is available, we have provided a range of between 25 to 50 percent.⁸ Given this number, in 2006 between 1,741 and 3,481 in-commuters would move to Avon, requiring the need for between 941 and 1,882 additional housing units.

Estimated Catch-Up In-Commuting Need for Housing; Avon 2006

	2006	Percent Would Move	25%	50%
Total jobs	11,768	# that would move to Avon	1,741	3,481
Jobs per employee (average)	1.2	Employees per household	1.85	1.85
Total employees	9,806	# of housing units needed	941	1,882
Percent that in-commute	71%			
Total in-commuting employees	6,962			

Source: Department of Local Affairs; 2006 Community Survey (NWCOG); RRC Associates, Inc.

The table below shows the number of in-commuter households by AMI range. For purposes of this analysis, it was assumed that the percentage distribution of in-commuter households resembles the AMI distribution of current Avon households, as determined from the 2000 US Census.

⁸ Surveys in other counties and communities typically show that closer to between one-third and 50 percent of in-commuters would prefer to live in their place of employment. It is expected that the actual number that would move to Avon would comfortably fall within the 25 to 50 percent range.

- Less than 80 percent AMI: About 37.7 percent of in-commuters that would move earn less than 80 percent AMI and would primarily be candidates for rental units (between 355 and 710 new households). A 3-person household earning in this range could pay up to \$1,080 per month⁹ in rent.
- 80 to 120 percent AMI: As shown below, about 29.9 percent of in-commuter housing (between 281 and 561 new households) would be needed for entry-level buyer households. These units should be priced between about \$170,000 and \$274,000 for a 3-person household.
- Over 120 percent AMI: About 32.6 percent of in-commuters that would move earn more than 120 percent AMI and would primarily be candidates for move up and high end housing (between 306 and 614 new households). These households could pay over about \$274,000 for a home.

**AMI Distribution of In-Commuting Households
That Would Move to Avon**

	% Of In-Commuters	2006 (Total Units) 25% Would Move	2006 (Total Units) 50% Would Move
<50% AMI	23.5%	221	443
50.1 to 60% AMI	5.0%	47	94
60.1 to 80% AMI	9.2%	86	173
80.1% - 100% AMI	15.4%	145	289
100.1% - 120% AMI	14.4%	135	271
120.1% - 140% AMI	6.0%	56	112
Over 140% AMI	26.6%	250	500
TOTAL	100.0%	941	1,882

Source: Department of Housing and Urban Development; Department of Local Affairs; RRC Associates, Inc.

In-Commuter Needs by Tenure

Catch-up needs from in-commuters can further be broken down into rental units and ownership units. The following estimates assume that the percentage of in-commuters that would prefer to own or rent in the Town of Avon is consistent with the current mix of Avon resident households (52.7 percent renters and 47.3 percent owners). The percentage of households expected to own or rent by AMI range varies based on the 2000 Census CHAS data estimates for Town of Avon households.

Rentals: Assuming that the percentage of in-commuters that would rent within each AMI range is consistent with the current mix of households in the Town of Avon (52.7 percent of households in total), a total of between 496 and 992 rental units would be needed to fill in-commuter needs. About 37 percent of the units would need to serve the population making less than 50 percent AMI. An average 3-person household in this income range could afford up to \$900 a month for rent. The median rent for a 3-bedroom unit in Avon is about \$1,220, which would serve the 60 to 80 percent AMI income range (12.4 percent of the renter population).

⁹ Uses the average of a 3-person household income, assumes no more than 30 percent of household income is used for rent.

Rental Unit Needs: In-Commuters, 2006

	Income Range (3-person Household)	Maximum Affordable Rent*	Estimated In-Commuter Need (25%)	Estimated In-Commuter Need (50%)
<50% AMI	\$36,000 or Less	\$900	184	368
50.1 to 60% AMI	\$36,001-\$43,200	\$1,080	35	69
60.1 to 80% AMI	\$43,201-\$53,650	\$1,341	61	123
80.1% - 100% AMI	\$53,651-\$72,000	\$1,800	77	155
>100% AMI	Over \$72,000	Over \$1,800	138	277
TOTAL**	-	-	496	992

Source: Department of Housing and Urban Development, Department of Local Affairs; 2000 US Census; RRC Associates, Inc.

*Assumes no more than 30 percent of household income is used for rent.

**Assumes percent of total households who rent (52.7 percent) remained the same since the 2000 Census.

Ownership: In total, between 445 and 890 ownership units would be needed to fill in-commuter needs. The largest percentage of ownership housing need (45 percent) is in the 60 to 140 percent AMI range (entry and part of the move-up ownership market). Individuals in this income range can afford to purchase a home between about \$170,000 and \$320,000. About 31 percent of sales last year were priced in this range, where all but one of the 72 sales in this range were condominiums.

Ownership Housing Units Needs: In-Commuters, 2006

	Income Range	Maximum affordable purchase price*	Owner AMI distribution**	Estimated In-Commuter Need (25 %)	Estimated In-Commuter Need (50%)
AMI Range					
50% AMI or less	\$36,000 or Less	\$113,918	8.3%	37	75
50.1-60% AMI	\$36,001-\$43,200	\$136,694	2.8%	12	25
60.1-80% AMI	\$43,201-\$53,650	\$169,760	5.6%	25	50
80.1-100% AMI	\$53,651-\$72,000	\$227,823	15.1%	67	134
100.1-120% AMI	\$72,000-\$86,400	\$273,388	16.8%	75	149
120.1% -140% AMI	\$86,401-\$100,800	\$318,952	7.8%	35	70
Over 140% AMI	Over \$100,800	Over \$318,952	43.6%	194	388
TOTAL UNITS***	-	-	-	445	890

*Assumes 5% down; 7% 30-Year loan; 20% of monthly payment for insurance, taxes, PMI, HOA.

**Assumes same AMI distribution as reported by the 2000 US Census (CHAS).

***Assumes percent of total households who own (47.3 percent) remained the same since the 2000 Census.

New Jobs (Keep-Up)

New employees demand new housing units. It is estimated that between 47 and 65 percent of workers that fill new jobs would desire to live in Avon. This is derived from a combination of maintaining the current percentage of workers who currently live in Avon (about 29 percent) and providing housing for the 25 to 50 percent of in-commuters that would move to Avon.

Estimated Percentage of Workers that Would Live in Avon 2006

	%	#		25% in-commuters	50% in-commuters
Workers that currently live in Avon	29%	2,844	In-commuters that would live in Avon	1,740	3,481
In-commuting workers	71%	6,962	% Total workers that would live in Avon	47%	65%
TOTAL employees	100%	9,806	# Total workers that would live in Avon	4,584	6,325

Source: Department of Local Affairs; 2006 Employee and Employer Surveys; RRC Associates, Inc.

Based on estimated job growth, about 1,500 more employees will be needed to fill jobs in the Town of Avon between 2006 and 2010 and an additional 1,542 employees will be needed between 2010 and 2015.

- If Avon wanted to maintain the current ratio of workers that live in town (29 percent), this would generate a need for an additional 435 new housing units by 2010 and an additional 447 between 2010 and 2015.
- If Avon wanted to increase the current ratio of employees that live in Town to meet total demand from new employees that would prefer to live in Avon (between 47 to 65 percent of all employees), between 705 and 975 additional housing units would be needed by 2010 and an additional 724 to 1,002 housing units would be needed between 2010 and 2015.

**Estimated Housing Need Generated by Job Growth in Avon
2006, 2010 and 2015**

	2006	2010	2015
Total jobs	11,768	13,463	15,175
Jobs per employee (average)	1.45	1.40	1.36
Total employees	8,116	9,616	11,158
	2006 to 2010	2010 to 2015	
Increase in employees	1,500	1,542	
% of Employees that Currently live in Avon (2000)	29%	29%	
% of Total Employees that Live/Would Live in Avon (including 25% and 50% of in-commuters)	47% to 65%	47% to 65%	
Employees per household	1.85	1.85	
Additional housing need (maintaining 29% of workers in Town)	435	447	
Additional housing need (providing housing for 47% to 65% of workers that Live/Would live in Avon)	705 to 975	724 to 1,002	

Source: Department of Local Affairs; 2000 US Census; RRC Associates, Inc.

The following table estimates the number of housing units that will be needed at different AMI affordability levels to serve new workers in 2010 and 2015. The table assumes new worker households follow a similar AMI profile as existing Avon households (based on 2000 Census CHAS data) and that 29 percent of the future workforce will be housed in Town (e.g., maintains the current ratio of workers that live in Avon).

- Less than 80 percent AMI: The table shows that 37.7 percent of units will need to be priced for 80 percent AMI households or below - primarily the renter market (about 164 new units by 2010).
- 80 to 120 percent AMI: Entry-level homebuyers will comprise about 29.9 percent of new worker households (129 new households earning between 80 and 120 percent AMI by 2010).
- Over 120 percent AMI: Step up and high end households would make up 32.5 percent of new worker households (about 142 new units by 2010).

Estimated AMI Distribution of New Workers			
AMI Range	% of Households (2006)	2010 (#)	2015 (#)
50% AMI or less	23.5%	102	105
50.1-60% AMI	5.0%	22	22
60.1-80% AMI	9.2%	40	41
80.1-100% AMI	15.4%	67	69
100.1-120% AMI	14.4%	63	64
120.1 to 140 % AMI	6.0%	26	27
Over 140 % AMI	26.6%	116	119
TOTAL (29% of new workers)	100.0%	435	447

Source: U.S. Census Bureau; CHAS; Colorado Department of Local Affairs; RRC Associates, Inc.

Keep-Up Needs by Tenure

Keep-up need from growth in employment can further be broken down into rental units and ownership units based on income levels of local workers and housing preferences. The following estimates assume that the percentage of new employee households is consistent with the current mix of Avon resident households (52.7 percent renters and 47.3 percent owners). The percentage of households expected to own or rent by AMI range varies based on the 2000 Census CHAS data estimates for Town of Avon households.

Rental Units: Rental units will be needed by an estimated 52.7 percent of new workers needed to fill new jobs generated through 2010 and 2015 (provided current estimated owner/renter ratios are maintained in Avon). This will result in demand for an additional 229 rental units by 2010 and an additional 236 between 2010 and 2015 if the current percentage of workers continue to be housed in Town (29 percent of new employees). About 56 percent of rental units will need to be priced for households earning less than 80 percent of the AMI (\$53,650 per year for a 3-person household; \$1,341 monthly rent for a 2 to 3-bedroom unit).

Keep-Up Rental Unit Needs: Growth in Jobs, 2010 and 2015

AMI range	Income Range	Maximum affordable rent*	Renter AMI distribution**	2010 (units)	2015 (units)
50% AMI or less	\$36,000 or Less	\$900	37.1%	85	87
50.1-60% AMI	\$36,001-\$43,200	\$1,080	7.0%	16	16
60.1-80% AMI	\$43,201-\$53,650	\$1,341	12.4%	28	29
80.1-100% AMI	\$53,651-\$72,000	\$1,800	15.6%	36	37
100.1-120% AMI	\$72,000-\$86,400	\$2,160	12.3%	28	29
Over 120% AMI	Over \$86,400	Over \$2,160	15.6%	36	37
TOTAL UNITS (29.0% of workers)***	-	-	-	229	236

*Assumes no more than 30 percent of household income is used for rent.

**Assumes same AMI distribution as reported by the 2000 US Census (CHAS).

***29 percent is the average percentage of workers that reside in Avon in 2000.

Ownership Units: Units for ownership will also be needed by an estimated 47.3 percent of new workers needed to fill new jobs generated through 2010 and 2015 (provided current estimated owner/renter ratios are maintained in Avon). This will result in demand for an additional 206 units by 2010 and 211 between 2010 and 2015 if 29 percent of the new workforce is housed in Town. About 65 units, priced between 80 and 120 percent of the AMI, would be needed by new workers in 2010. Another 16 units priced between about \$273,000 and \$319,000 would be needed for households earning between 120 and 140 percent of the AMI in 2010.

Keep-Up Ownership Unit Needs: Growth in Jobs, 2010 and 2015

AMI range	Income Range (3-person household)	Maximum affordable purchase price*	Owner AMI distribution**	2010 (units)	2015 (units)
50% AMI or less	\$36,000 or Less	\$113,918	8.3%	17	18
50.1-60% AMI	\$36,001-\$43,200	\$136,694	2.8%	6	6
60.1-80% AMI	\$43,201-\$53,650	\$169,760	5.6%	11	12
80.1-100% AMI	\$53,651-\$72,000	\$227,823	15.1%	31	32
100.1-120% AMI	\$72,000-\$86,400	\$273,388	16.8%	34	35
120.1-140% AMI	\$86,400-\$100,800	\$318,952	7.8%	16	17
Over 140% AMI	Over \$100,800	Over \$318,952	43.6%	90	92
TOTAL UNITS (29.0% of workers)***	-	-	-	206	211

*Assumes 5% down; 7% 30-Year loan; 20% of monthly payment for insurance, taxes, PMI, HOA.

**Assumes same AMI distribution as reported by the 2000 US Census (CHAS).

***29 percent is the average number of workers that reside in Avon in 2000.

Seasonal Workers

Peak winter season employment generated demand for about 3,100 workers in Avon in 2003/2004. It is important to note that this includes information from the Vail Resorts offices that moved to Avon a few years ago. It is expected that many of these seasonal employees actually work in Vail.

Interviews with employers noted that most of the seasonal workers in Beaver Creek reside in affordable rentals in the area (the Tarnes, Rivers Edge, Timber Ridge) and that the real crunch typically occurs around the 3 to 4 weeks of the

winter holiday period. Other employers noted that attracting new workers to the area that must find housing during the months of November through April was made more difficult due to the unavailability of housing during that time.

It is important to not overbuild to accommodate the peak season population, but it is also necessary to find a balance between year-round availability of housing and peak season housing issues. Vacancy rates for market rate rentals in Eagle County as a whole indicate that the projects built in 2003 and 2004 (over 380 units in Middle Creek and Buffalo Ridge) have effectively been absorbed into the market – where third quarter 2005 (July through September) vacancy rates average 5.2 percent and first quarter 2006 (January through March) vacancy rates averaged a very low 1.3 percent. In addition, Eagle Bend apartments indicated they are presently 100 percent full and have only a handful of units turnover per year. Buffalo Ridge has a waitlist of 20 people and vacancies most commonly occur during low construction years (occupancy is tied to the construction industry in the area). Finally, River View presently has a waitlist as well.

It is expected that the tight rental market for year-round occupancy in Avon (and Eagle County as a whole) may be affecting employers in Avon more significantly than housing for seasonal workers (though seasonal workers do strongly affect housing availability during the winter months). As work on the Gondola in Avon progresses and more seasonal attractions are added in Town (visitor accommodations, retail, etc.), seasonal worker housing should continue to be monitored to ensure that new development accommodates for the needs of the winter seasonal employment that may be required to operate new businesses.

Summary of Catch-Up and Keep-Up Housing Needs

In summary, between 941 (25 percent of in-commuters) and 1,882 (50 percent of in-commuters) units are currently needed to serve in-commuting workers in Avon, with an additional 705 to 975 units needed by 2010 and another 724 to 1,002 between 2010 and 2015. To help target catch-up housing needs, addressing current housing problems of residents (about 880 households) should be considered. By providing housing to serve current resident needs, the units presently occupied by these households will be vacated and can then serve additional in-commuter, resident and new employee housing needs.

It should be noted that, in addition to the catch-up need identified from in-commuters and Avon residents with housing problems, current Avon renters that could buy and Avon resident owner households looking to purchase a different home create additional demand for housing in Avon. Providing housing for these households would help keep existing households in the community and retain workers needed by local employers. Addressing the housing needs for current residents with housing problems will help serve these groups, although the combined needs of all of these groups would be higher than represented in the below table.

Resident, catch-up and keep-up housing needs are summarized in the following table, along with a summary of seasonal workers.

- Resident housing needs have been defined for households with housing problems (as estimated from the 2000 Census).
- Catch-up housing needs have been identified for in-commuters that would be expected to move to Avon if affordable and suitable housing was available (estimated to fall within the range of 25 percent to 50 percent of in-commuters).
- Keep-up housing needs are identified based on housing the number of new workers needed to maintain the current ratio of local workers living in Avon (about 29 percent in 2006).

Total Current and Future Housing Need			
	TOTAL Housing Units Needed	Rental Units	Ownership Units
Resident needs (2006):			
Current residents*			
<i>With housing problems</i>	880	622	258
Catch-up need (2006):			
In-commuters:			
<i>25% Would Move</i>	941	496	445
<i>50% Would Move</i>	1,882	992	890
Keep Up Need (2010 to 2015)			
New Jobs by 2010:			
<i>Meeting Need for 47% of New Workers</i>	705	372	176
<i>Meeting Need for 65% of New Workers</i>	975	514	461
<i>Maintaining 29% of Workers in Avon</i>	435	229	206
New Jobs between 2010 and 2015:			
<i>Meeting Need for 47% of New Workers</i>	724	382	342
<i>Meeting Need for 65% of New Workers</i>	1,002	528	474
<i>Maintaining 29% of Workers in Avon</i>	447	236	211
Seasonal Workers: Monitor needs with Gondola development and related. Primary need is among Vail workers currently, but will increase in Avon as "destination" development continues (Gondola, hotels/ accommodations, retail, etc.).			

*Each unit that addresses current resident needs should be assumed to also serve catch-up or keep-up needs of residents, in-commuters or new employees given that the unit vacated by the current resident in need can then be occupied by another household.

SECTION 7 - GAPS IN HOUSING

This section estimates where the current housing stock may be deficient in meeting needs of resident households, in-commuters and future workers needed to fill new jobs in Avon, as calculated in the previous section (Section 6 - Housing Needs). Need is identified in terms of affordability by different AMI ranges and by tenure. This information can, therefore, be used to estimate where local housing programs should be focused to improve the affordability of housing to Avon residents and employees.

Rental Housing

Long-term rental housing in Avon is limited. Vacancy rates for market rate rentals in Eagle County as a whole indicate that the projects built in 2003 and 2004 (over 380 units in Middle Creek and Buffalo Ridge) have effectively been absorbed into the market – where third quarter 2005 (July through September) vacancy rates average 5.2 percent and first quarter 2006 (January through March) vacancy rates averaged a very low 1.3 percent. In addition, Eagle Bend apartments indicated they are presently 100 percent full and have only a handful of units turnover per year. Buffalo Ridge has a waitlist of 20 people and vacancies most commonly occur during low construction years (occupancy is tied to the construction industry in the area). Finally, River View presently has a waitlist as well. Given the additional employees needed in the winter months, employers noted that attracting new workers to the area that must find housing during the months of November through April was made more difficult due to the unavailability of housing during that time.

- The current gap in the market that would most benefit current residents are for units priced under 50 percent AMI (Under \$900 per month for a 3-person household) and units priced between 50 and 80 percent AMI (between \$900 and \$1,341 per month for a 3-person household). Providing units for the estimated 287 resident renter households in Avon earning 80 percent AMI or less with housing problems would also serve other resident, catch-up and keep-up needs given that local residents will vacate their current unit to occupy the new unit. It is therefore assumed that two households are served with each local affordable housing unit provided, effectively reducing the estimated need from resident households in half.

Units Needed By Renter Households With "Housing Problems" (2006)					
AMI Range	Maximum Affordable Rent (3-person household)	Renter Households #	With "Housing Problems" %	#	Estimated Need (50% of Gap) #
TOTAL households	-	1,313	55.3%	726	363
<=50% AMI	\$900	488	84.1%	410	205
50.1 to 60% AMI	\$1,080	92	30.8%	28	14
60.1 to 80% AMI	\$1,341	163	82.6%	135	68
Total <=80% AMI	-	742	83.8%	622	287

Shaded area indicates where the market may be deficient in meeting needs.

- Comparing market rents in Avon to the primary catch-up and keep-up needs for rental units, it is apparent that more rentals affordable to households earning under 80 percent AMI are also needed to serve current in-commuters and future employee needs¹⁰. As shown below, this would equate to about 64 units to catch-up to current demand from in-commuters and another 84 units by 2010 to address new employee needs and about 89 units by 2015.

¹⁰ Market-rate rents for three-bedroom units in Avon are between \$1,300 to \$1,500, which falls within the potential affordability range for three-person households earning between 80 and 100 percent AMI. See the "Housing Inventory" section of this report for more detail on rentals.

Estimated Catch-Up and Keep-Up Need for Rental Units in Avon: 2006

AMI Range	Maximum affordable rent (3-person household)*	Estimated in-commuter need (catch-up)**	2010 (additional keep-up units)	2015 (additional keep-up units)
50% AMI or less	\$900	184 to 367	85	87
50.1 to 60% AMI	\$1,080	35 to 69	16	16
60.1 to 80% AMI	\$1,341	62 to 123	28	29
80.1% - 100% AMI	\$1,800	77 to 155	36	37
>100% AMI	Over \$1,800	138 to 277	64	66
TOTAL <80% AMI	-	281 to 559	129	132

*Assumes no more than 30 percent of household income is used for rent. Shading represents areas of estimated primary need.

**Range includes 25% to 50% of in-commuters.

Shaded area indicates where the market is expected to be deficient in meeting needs.

- It is expected that the tight rental market for year-round occupancy in Avon (and Eagle County as a whole) may be affecting employers in Avon more significantly than housing for seasonal workers (though seasonal workers do strongly affect housing availability during the winter months). As work on the Gondola in Avon progresses and more seasonal attractions are added in Town (visitor accommodations, retail, etc.), seasonal worker housing should continue to be monitored to ensure that new development accommodates for the needs of the winter seasonal employment that may be required to operate new businesses.

In summary:

- A total of 568 to 846 rentals priced below 80 percent AMI would be needed to address catch-up needs from residents with housing problems (287 units) and 25 to 50 percent of in-commuters (281 to 559 units). Assuming that the development of Buffalo Ridge in 2003 filled some of this need (244 units), then total catch-up need declines to between 333 and 602 units.
- Seasonal units are not necessarily as significant a need as year-round rentals, but seasonal needs should continue to be monitored as "ski front" development (e.g., Gondola, accommodations, etc.) occurs in Avon. As more winter visitors are attracted to Town, this will most likely change the picture of seasonal worker needs among local businesses in the future.
- Finally, production of an estimated 129 units by 2010 and another 132 units by 2015 for households earning less than 80 percent AMI would serve keep-up needs from future employment growth.

**Total Rental Unit Needs:
Residents, In-Commuters and New Employees, 2006-2015**

Rental Units	Current Resident Needs (50% of households with "housing problems")	Catch-Up Units (In-commuters)*	Seasonal (Workers)	Keep-Up Units (2010)	Keep-Up Units (2015)
<50% AMI	205	184 to 367		85	87
50.1 to 60% AMI	14	35 to 69		16	16
60.1 to 80% AMI	68	62 to 123		28	29
Over 80% AMI	76	215 to 432		100	103
TOTAL Need	363	496 to 992		229	235
Unmet Need (<80% AMI)	287 (units)	281 to 559 (units)	Monitor	129 (units)	132 (units)
Unmet Need (incl. Buffalo Ridge)**	324 to 602 total units		Monitor	129 (units)	132 (units)

*Range includes 25% to 50% of in-commuters.

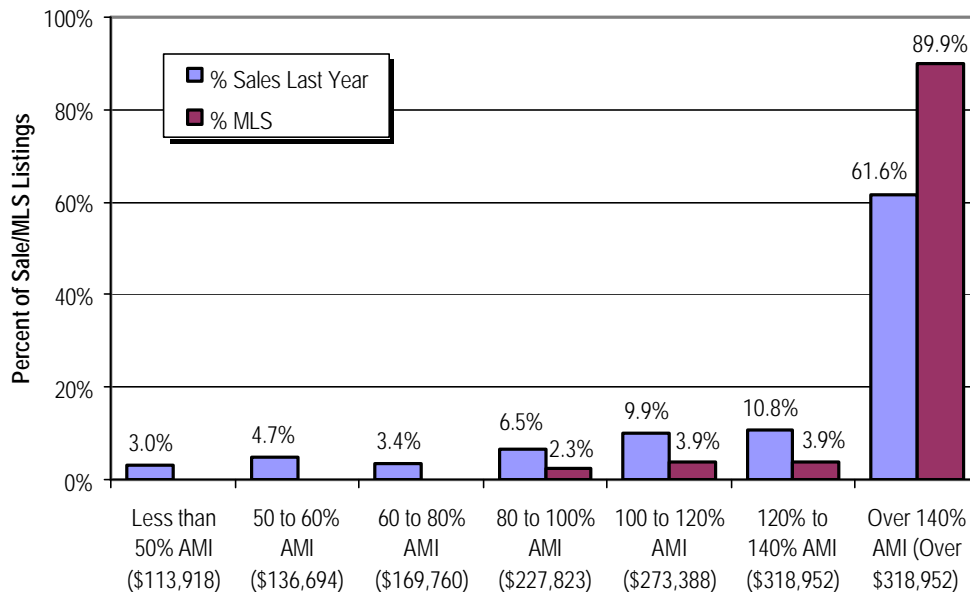
** It is important to note that, since the 2000 Census, Buffalo Ridge was developed in the Town of Avon. This development potentially served about 244 renter households earning under 80 percent AMI with more affordable and suitable housing accommodations. About 44 units are affordable to 1-person households earning less than 50% AMI; 44 are affordable to 2-person households earning less than 60% AMI (or 1-person earning less than 80% AMI); 88 to 2-person households under 80% AMI or 3-person households under 60% AMI. Shaded area indicates where the market is expected to be deficient in meeting needs.

Ownership Housing

For purposes of understanding current gaps present in ownership housing provided by the Avon market, resident and in-commuter needs within different AMI affordability ranges were compared to the properties currently listed on the MLS (October 13, 2006). As shown on the following table, the distribution of sales that occurred over the past year (September 20, 2005 to September 19, 2006) shows that property availability over the span of last year was more diverse in the lower price ranges than available on the current MLS. This is in part due to new deed-restricted unit construction, as well as turnover of lower priced properties throughout the year. Sales over the past year show a much higher percentage of units priced under about \$320,000 (38 percent) than currently available on the market (15 percent). Conversely, about 89.1 percent of units on the MLS are priced over \$318,952, compared to about 61.6 percent of properties that were sold last year.

While the following "gaps" analysis compares current MLS availability to estimated resident, in-commuter and new employee demand to understand what the market is providing, it should be recognized there are several deed-restricted ownership properties in the Town of Avon and turnover of these properties is occurring. Provided deed restrictions serve the purpose of maintaining AMI affordability over time, the Town is building inventory of units that will remain affordable for entry-level and other buyers over time.

2005/2006 Sales vs. MLS (10/13/06): Avon



Source: Eagle County Assessors Data (2006); Eagle County MLS; RRC Associates, Inc.

*Dollar amount reflects affordable purchase price for a 3-person household in each respective AMI range.

Catch-Up Ownership Housing: It is estimated that about 129 units are needed to address current resident needs (owners with housing problems). This is based on the assumption that each new housing unit produced to address a local need results in serving a total of two households (given that each resident that vacates an existing unit frees up that unit, which can then be occupied by another household). The bulk of ownership needs are in the 100 to 140 AMI percent range (about 76 units).

Estimated Resident Housing Needs: Avon

AMI Range	Maximum Affordable Purchase Price (3-person household)*	Owner Households #	With "Housing Problems" %	With "Housing Problems" #	Estimated Need (50% Gap) #
Under 60% AMI	\$136,694	131	100.0%	131	NA
60.1 to 80% AMI	\$169,760	66	60.0%	40	20
80.1% - 100% AMI	\$227,823	178	37.0%	66	33
100.1% - 120% AMI	\$273,388	197	50.0%	99	50
120.1% - 140% AMI	\$318,952	92	57.1%	53	26
Over 140% AMI	Over \$318,952	513	5.0%	26	NA
TOTAL	-	1,178		415	129

In addition to resident housing needs, workers that commute into Avon also produce demand for housing. The below table shows that about 202 to 403 units would be needed to serve in-commuters earning between about 60 and 140 percent of the AMI. Comparing current resident and in-commuter needs for housing to available units shows that:

- The primary deficiency in the provision of housing occurs for entry-level homeownership units priced between about \$227,823 and \$273,388 (80 to 120 percent of AMI), with between about 210 to 350 units needed which are not currently supplied.

- Resident and in-commuter need for housing also exceeds supply in the move-up housing range for households earning between 120 and 140 percent AMI (units priced between \$273,389 and \$318,952) by between about 57 and 92 units.
- Evaluating just resident housing needs shows that current supply is not sufficient to meet the needs of current owners in the Town of Avon. About 100 more units priced between 60 and 140 percent of the AMI are needed to help resident households with housing problems. Serving these households will also provide some opportunities for local renters to purchase homes (60 to 100 percent AMI range primarily) and owners looking to move up to larger homes to meet family needs (100 to 140 percent AMI primarily).

Catch-Up Ownership Housing Needs vs. MLS (10/13/2006) and Recent/Pending Development: Avon

<i>AMI Range</i>	<i>Max Affordable Purchase Price¹</i>	<i>Need</i>		<i>Supply</i>		<i>Catch-Up Need⁴</i>
		<i>Total Resident Need</i>	<i>In-Commuter Need²</i>	<i>9/14/06 MLS</i>	<i>Recent Development³</i>	
50% AMI or below	\$113,918	NA	37 to 74	0	0	NA
50.1 to 60% AMI	\$136,694	NA	12 to 25	0	0	NA
60.1 to 80% AMI	\$169,760	20	25 to 50	0	11	-34 to -59
80.1 to 100% AMI	\$227,823	33	67 to 134	3	6	-91 to -158
100.1 to 120% AMI	\$273,388	50	75 to 149	5	0	-120 to -194
120.1% to 140 AMI	\$318,952	27	35 to 70	5	0	-57 to -92
140% AMI or more	Over \$318,952	26	194 to 388	74	0	-146 to -340
TOTAL 60 to 140% AMI		129	202 to 403	13	17	-301 to -502

Shaded area represents primary need.

¹Maximum purchase price for a three-person household earning within each income range. Assumes 5% down, 7.0% interest for 30 years and 20% of monthly payment for property taxes, insurance and HOA fees, with no more than 30% of household income used for housing payments

²Need calculated for 25% and 50% of in-commuters.

³Recent development includes 12 units of Grandview Condominiums and 5 units of Mountain Vista Condominiums in 2001. Future additions to the program include the potential for 256 more units at The Village at Avon, 8 units at Lot B, 9 units on Lot 61 and the potential for another couple dozen units as both commercial and residential projects are redeveloped in the core areas of Town, although these units have not yet been approved and specifics of affordability are not known.

⁴A negative value indicates that the supply of units is less than (or deficient in meeting) the number of units needed.

Keep-Up Ownership Housing: Keep-up ownership needs, as determined from future job growth and employment requirements, indicate an additional 206 units will be needed to meet employee household demand by 2010 and 211 will be needed between 2010 and 2015. Of these, about 45 percent will need to be priced for households earning between 60 and 140 percent of the AMI (about 92 units by 2010 and 96 units by 2015). This rate of housing provision will allow Avon to keep-up with the current ratio of workers that are presently housed in Town (about 29 percent) as job opportunities increase in the future.

Keep-Up Ownership Housing Needs: 2010 and 2015

	Maximum affordable purchase price*	2010	2015
Under 60% AMI	\$136,694	23	24
60 to 80% AMI	\$169,760	11	12
80.1% - 100% AMI	\$227,823	31	32
100.1% - 120% AMI	\$273,388	34	35
120.1% - 140% AMI	\$318,952	16	17
Over 140% AMI	Over \$318,952	90	92
TOTAL Units		206	211

Shaded area represents primary need.

*Maximum purchase price for a three-person household earning within each income range. Assumes 5% down, 7.0% interest for 30 years and 20% of monthly payment for property taxes, insurance and HOA fees, with no more than 30% of household income used for housing payments